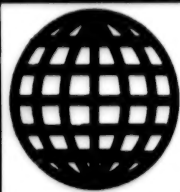


JPRS-SEA-90-031  
27 NOVEMBER 1990



**FOREIGN  
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# ***JPRS Report***

## **East Asia**

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***Southeast Asia***

# East Asia Southeast Asia

JPRS-SEA-90-031

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27 November 1990

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### Energy, Mines Minister on Oil Fields

9ISE0018A Rangoon THE WORKING PEOPLE'S  
DAILY in English 23 Oct 90 p 2

[Text] Yangon, 22 October—A co-ordination meeting on the activities of the oil-fields of the Myanmar [Burma] Oil and Gas Enterprise of the Ministry of Energy for 1990-91 was held at the Head Office of the Myanmar Petrochemical Enterprise and Minister for Energy and for Mines Vice- Admiral Maung Maung Khin delivered an address.

Present were Officer on Special Duty at the Ministry of Energy Cmdr Thein Tun (Navy), Head of Office U San Aung, the directors-general, managing directors, directors, heads of division and oilfield managers under the Ministry of Energy.

The Minister, in his address, said "Energy plays a vital role in the development of a country. Of the different kinds of energy, oil and natural gas are the most important ones. Since the Myanmar Oil and Gas Enterprise is responsible for exploring and producing oil and natural gas, concerted efforts must be made by all to step up and improve the situation of producing oil and natural gas. The production of petroleum, refining and distribution of oil are closely linked. Only when work is carried out harmoniously by the respective sectors will the construction activities of the State, transportation work and economic undertakings turn out to be smooth. Therefore all service personnel right from the managing director to the lowest level, are responsible for boosting the production of oil. Work must be carried out in accordance with the rules and procedures and under the supervision of responsible personnel at different levels in order to achieve success speedily."

The Minister next gave guidance on the use of equipment and spare parts. He said, "The equipment which is really needed should be ordered from abroad and must be used systematically and with care. Spare parts which could be locally produced should be produced after co-ordinating with the departments concerned. Fuel oil used in operating machines should be systematically used without any loss and wastage. Loss and wastage should also be minimized in producing oil."

The Minister also said, "The Myanmar Oil and Gas Enterprise is now carrying out oil exploration and production work after signing production sharing contracts with foreign oil companies. There are altogether 11 blocks of which 9 are onshore and 2 off-shore ones. Ten oil firms are carrying out oil exploration work. Of these companies, 2 are American, 1 from Canada, 3 are British and 1 each from the Netherlands, Australia, Japan and Korea. Three or four of these oil companies are now making preparations to sink in test-wells during December this year and the first six months in 1991."

The Minister said, "Service personnel of the Myanmar Oil and Gas Enterprise are attached to these oil companies in turn for one year each. Hence, those serving with

their mother department while waiting for their turn, must make preparations to be able to work in the same level as that of foreigners. Those who had served with the foreign firms, must make use of the experiences gained in working with the foreign firms, when they return to mother department on expiry of the one-year period."

The Minister then called upon the oilfield managers to present reports freely and frankly without hiding anything. He said that it was necessary to obtain precise and correct facts and figures. He said there should not be any loss and wastage at all stages of production and in order to prevent loss and pilferage, those in charge must lay down projects through security point of view. If any unscrupulous acts were detected, then effective action would be taken against those at fault, he added. He also pointed out that those who stand out to be outstanding in shouldering their duties must be recommended to be fittingly rewarded.

Next, Managing Director of the Myanmar Oil and Gas Enterprise U Aung Min also delivered a speech. The oilfield managers then presented work progress reports and replies were given by heads of division. The meeting then ended with concluding remarks by the managing director.

### Minister Urges Use of Credit Card

9ISE0018B Rangoon THE WORKING PEOPLE'S  
DAILY in English 24 Oct 90 p 5

[Text] Yangon, 23 October—A seminar on Master Card Credit Cards Acceptance procedure sponsored by Myanmar [Burma] Foreign Trade Bank and MBF Card Services Sdn-Bhd was held at the Inspection and Agency Services on Merchant Street at 9 am today.

Present at the seminar were departmental heads, invited guests and responsible personnel of the MBF Card Service.

Minister for Planning and Finance and for Trade Brig-Gen Abel delivered the opening address.

The Minister said "Today all over the World, people are using credit cards instead of carrying a large amount of notes and coins for their personal expenses such as travelling expenses, purchases at the departmental stores. This cashless facility is widely used for payment of air-passage charges, hotel charges and purchases at the departmental stores and petro stations. With a view to encouraging tourism in Myanmar and to facilitating the tourists coming into Myanmar, Myanmar Foreign Trade Bank has entered into an agreement with American Express in October 1974 for accepting the credit cards.

Myanmar Hotel and Tourism Services has been accepting such cards and business has been going on smoothly. Besides, Myanmar Gems Enterprise is also accepting the credit cards for sale of precious stones and as such the value of credit cards used in Myanmar increased to K 9.97 million in 1989-90. It has become necessary to

facilitate the acceptance of the credit cards in wider range in order to support the business being carried out in line with new economic policy. As such Myanmar Foreign Trade Bank has entered into an agreement with MBf Card Services in April 1990 for accepting Master Cards Credit Cards. In as much as the country's economy develops, the business of credit card acceptance will become vital in banking and finance. This seminar will therefore contribute a comprehensive knowledge of card business for the benefit of Enterprises concerned and for best interest of the State as well."

Next, General Manager of MBf Card Services from Malaysia Mr K.Y. Loke made a speech.

Later, the agreement was signed between the MBf Card Services of Malaysia and the Enterprises concerned.

The seminar was attended by 90 participants from the Ministry of Planning & Finance and from the Ministries related to economic matters and observers. In the afternoon, lectures on acceptance of master cards and credit cards were given at the seminar.

## STATE OF CAMBODIA

### Enlargement of Airport Planned for Dry Season

*BK1810090290 Phnom Penh SPK in English  
0448 GMT 18 Oct 90*

[Text] Phnom Penh SPK October 18—In the first three quarters of this year, the direction of Cambodia civil aviation made a turn over of ten million Riels (Cambodian currency) in conducting air services between Phnom Penh and Stung Treng, a province 350 km to the northeast.

Around 2,700 passengers and 16 tons of cargo were airlifted on this route during that period.

The Phnom Penh-Stung Treng airline was opened in April last year with one flight a week.

The Stung Treng air service estimated that it would turn over four million Riels in the fourth quarter of this year.

In the coming dry season, the service plans to restore and enlarge the provincial airport of Stung Treng, which was

built in 1964 and later badly damaged during the U.S. war of aggression in Cambodia and the Pol Pot regime.

### Red Cross Distributes Rice to Kompong Speu

*BK0810074690 Phnom Penh SPK in French 0409 GMT  
8 Oct 90*

[Text] Phnom Penh, 8 October (SPK)—The Cambodian Red Cross Committee has distributed 185 tons of rice to the population in Kompong Speu Province, 50 kilometers west of Phnom Penh.

The donation has been given to three districts, namely Thpong, Phnum Sruoch, and Aoral, where the people have been severely affected by natural calamities and sabotage carried out by the Cambodian opposition group.

It is worth noting that a number of international organizations and the Cambodian Government have, on a monthly basis, provided necessary and urgent assistance to the inhabitants in those districts as well.

**Japanese Institutions Seen as Loan Sources***91SE0008A Jakarta BISNIS INDONESIA  
in Indonesian 3 Oct 90 p 1*

[Text] Jakarta (BISNIS)—Japanese nonbank financial institutions (LKBB's) can be sources of funds for Indonesian banks that want "offshore loans," a domestic banker says.

The banker said yesterday that Japanese LKBB's have very great assets and often participate in "syndicated loans." "Furthermore, they are not bound by the eight percent capital adequacy ratio (CAR) requirement set by the Bank for International Settlement."

His statement was related to the report that Japanese banking institutions are tightening up on loans.

"In order to comply with the CAR requirement, Japanese banks will be reducing or increasing their assets, depending on their present ratio of loans to capital."

Whatever policy they choose will affect Indonesian banking institutions, but the impact will not be too serious. "The Japanese banks will continue to make loans, but more selectively. Some Indonesian banks will obtain offshore loans in the near future."

Nevertheless, bankers with government banks recommend that sources of funds be diversified. "Loans from LKBB's are sometimes more profitable. Their repayment periods are longer, from five to seven years, but their 'spreads' are higher."

A Japanese insurance executive yesterday confirmed that his company is able to make loans to foreign banks. "Their 'spread' and 'maturity' will depend on the credibility of borrowers."

Loans will be made only to banks with branch offices in Tokyo, he said. The Japanese Ministry of Finance prohibits insurance companies from making foreign loans. "The total permissible value of loans is about 20 to 30 percent of an insurance company's assets."

**Australian Flood Control Project Under Way***91SE0015A Jakarta ANGKATAN BERSENJATA  
in Indonesian 25 Oct 90 p 9*

[Text] Jakarta (ANGKATAN BERSENJATA)—An irrigation and flood control project being conducted in North Sumatra by Australia and Indonesia will produce a three-fold increase in income for farmers and their families, Australian Ambassador to Indonesia Philip Flood said last Tuesday [23 October]. Ambassador Flood made this statement upon his return to Jakarta after an intensive 2-day inspection of the 130-square-kilometer project in the Bah Bolon River area south of Medan. He said that 200 hectares of prime farm land provided under the first phase are now being used and will be handed over to local managers next year.

A team of Australian irrigation and civil engineers is working with the Indonesian Department of Public Works, and the Australian Government is spending more than 9 billion rupiah per year on the project. Ambassador Flood said the project will free the area's farmers from annual threats of damaging floods. "This is the largest cooperative project conducted in Indonesia by the two countries and is Australia's largest overseas cooperation project," he said.

"There is still much to be done on the project, which is expected to be completed in 1993. Australian and Indonesian teams are now building more than 2,500 kilometers of culverts and canals, 100 kilometers of dikes, and 2,600 concrete structures such as sluices and bridges." They are also building and repairing more than 35 kilometers of access roads.

"By any measure, this is a mammoth project. It will raise the standard of living for more than 70,000 people," Flood said. Besides the construction and repair of physical facilities, the Bah Bolon Project will also stabilize farm services in the area.

Extension agents from the local Food Crops Office help farmers to apply more advanced agricultural methods. Australia has given the farmers high quality rice seedlings plus 1,500 water buffalo they can use for plowing their rice fields.

**Suharto on Political, Economic Development***91SE0009B Jakarta ANGKATAN BERSENJATA  
in Indonesian 3 Oct 90 p 1*

[Text] Jakarta (KOMPAS)—President Suharto declared that although the present development emphasis is on the economic sector, development of the political, ideological, sociocultural, and defense and security sectors must not be neglected.

The head of state discussed development of the political, ideological, sociocultural, and defense and security sectors when he opened the P4 [Guidelines for Implementation of Pancasila] Intellectual Skills Contest [LCT] at the Taman Mini on Tuesday [2 October]. Mrs. Tien Suharto, Vice President Sudharmono, and a number of other officials also attended the ceremony.

The head of state reminded his audience that the Indonesian people will be able to make a successful beginning of REPELITA VI [Sixth 5-Year Development Plan] if the foundational framework in all sectors of life is strengthened so that all sectors are balanced and mutually supportive.

"If one sector falls behind, our foundational framework for development will be weak and unable to support the takeoff process," the president told participants in the contest, who come from elementary schools, junior high schools, high schools, colleges, and community social organizations.

In emphasizing the importance of Pancasila in the life of the community and the state, the head of state pointed out that Pancasila continues to be Indonesia's philosophy of life and the basis of our state, because Pancasila was derived from the nation's noble values.

President Suharto emphasized that because Pancasila will lose its power if it is not put into practice we must all consistently demonstrate Pancasila in an evident way in our daily lives.

"Efforts to comprehend, practice, and perpetuate Pancasila are an absolute necessity for Indonesia."

The president said the Indonesian people are determined to implement development as an expression of Pancasila. We are also resolved to use Pancasila as the sole basis of our lives as a community, nation, and state.

#### **Noble Values**

Our history shows that Pancasila has often suffered threats and interference, both direct and indirect, that jeopardized our life as a nation and a state. Nevertheless, Pancasila still stands as our philosophy of life and basis of the Indonesian state. This proves that Pancasila was derived from the noble values of the Indonesian people.

History has also shown that deviations from Pancasila always result in disturbances, unrest, and instability. Without stability, it will be difficult for us to implement development.

The head of state also said that our entrance into the takeoff era that begins with REPELITA VI will be successful if the foundational framework in all sectors of life is strengthened so that all sectors are balanced and mutually supportive.

If one sector falls behind, our foundational framework for development will be weak and unable to support the takeoff process. "Therefore, although our development emphasis is on the economy, development in the ideological, political, sociocultural, and defense and security sectors absolutely must not be neglected," the president declared.

The program to make people mindful of P4 is an effort to promote understanding of Pancasila, while at the same time increasing public political awareness, particularly with regard to the rights and obligations of responsible citizens. Making people aware of P4 constitutes development in the important ideological and political sectors.

#### **Encouragement**

The effort toward P4-mindedness has had encouraging results. More and more members of the community are increasing their understanding of the values and basic concepts embodied in Pancasila.

"Their comprehension and practice of Pancasila is increasingly perceptive and creative. Pancasila is an

open ideology that must be understood and practiced in a discriminating and creative way if it is not to be a rigid dogma," the head of state said.

The P4 LCT is one way of accomplishing this. There are many advantages to this method. If the contest is conducted seriously, P4 will take strong root in the hearts of the people.

The president cautioned that the contest should not be used merely as a way to display debating talents. In making P4 a part of our society and culture, the important thing is for the values embodied in Pancasila to be fully comprehended and practiced in the life of the community, the nation, and the state.

#### **Participants**

Oetojo Oesman, chief of the Central BP7 [Pancasila Indoctrination Board], said in his report that the 1990 Third LCT has 621 participants from Indonesia's 27 provinces. Each province sent representatives in five categories: elementary school, junior high school, high school, college, and community organizations. The LCT is being held at the Muslim Pilgrim Building at Pondok Gede, East Jakarta, and will continue until 6 October.

#### **Suharto Defends National Leadership**

91SE0013A Jakarta KOMPAS in Indonesian 26 Oct 90  
p 1

[Text] Jakarta (KOMPAS)—President Suharto says there is no need for concern about our systems of government and national leadership, for they are all founded on Pancasila and the 1945 Constitution. This includes the "succession" issue that is being talked about in other countries. The head of state said this at Freedom Palace on Thursday [25 October] in a discussion with 76 World Economic Forum participants.

The group consisted of 69 prominent businessmen from a number of countries and seven Indonesian businessmen, all of whom were escorted by Minister of Finance J.B. Sumarlin. President Suharto described at length the sectors that are now being developed, particularly the economic and political sectors.

President Suharto said that there is no need for concern about national stability in the political sector, which encompasses our governmental system, national leadership mechanism, and the issue of succession.

He explained that under the 1945 Constitution sovereignty is in the hands of the people, who through their representatives in the MPR [People's Consultative Council] establish the Broad Outline of State Policy (GBHN) and make other decisions. After determining the GBHN, the people's representatives in the MPR elect a citizen to be president/MPR mandatar, who then has the task of implementing the GBHN.

The DPR [Parliament] supervises the president's performance. The DPR cannot dismiss the government, nor

can the president dissolve the DPR. If opposition should occur between the DPR and the government, the DPR can call the MPR into special session.

The Indonesian president's term of office is set at five years. Thus, he will not be replaced during those five years as long as he performs his duties as president/MPR mandatarly in accordance with the GBHN. "This is different from methods used in countries that practice other systems of democracy, where change can occur at any time and programs under way cannot be maintained," President Suharto added.

He noted that Indonesia used the parliamentary system of democracy from 1950 to 1959. "Because it was not a good system, we left it and returned to the 1945 Constitution," he continued.

### Other Sectors

Explaining various development activities, President Suharto noted, among other things, that in the trade sector Indonesia does not depend only on oil and gas exports but is working as hard as it can on nonoil exports from industry and agriculture.

In the agricultural sector, he said, one of our targets has been to meet our rice needs, and we have been self-sufficient in rice since 1988. Indonesia is also trying to become self-sufficient in other foods, for we need corn, soybeans, etc., as well as rice.

Therefore, according to the president, we are now beginning to diversify crops so that people can choose foods other than rice. "This means that we will be self-sufficient in food in the long term and that national stability in food can always be maintained," he declared.

He also noted that Indonesia's development focus is on the Development Trilogy of growth, even distribution, and national stability. These three aspects are interrelated. Even distribution, for example, can be supported only by growth, and growth can occur only if there is development. Development is possible only if there is national stability.

### Practice Cooperation

The president said he feels that the foundation for industrial development has been completed in both upstream and downstream industries. The problem is that industrial development needs a steadily expanding economic infrastructure, which includes transportation, telecommunications, and electricity. The transportation issue encompasses the problem of container ports to guarantee the flow of Indonesian exports.

He said that since it is not possible for the government to build the various kinds of economic infrastructure, opportunities for participation are being given to national private interests as well as to foreigners.

The president said he hoped that his explanation would encourage the experts, managers, and investors

belonging to the World Economic Forum to practice cooperation in both trade and investment. The president hoped they would gather information extensively from government officials, private interests, and cooperatives and that such information would facilitate cooperation.

### GOLKAR Urged To Give More Support to Democracy

91SE0013C Jakarta KOMPAS in Indonesian 20 Oct 90 p 1

[Excerpt] Jakarta (KOMPAS)—As the largest sociopolitical force in the country, GOLKAR [Functional Group] is counted on to proclaim continued commitment to ideological, political, and economic development. It is especially hoped that GOLKAR will state how it will introduce more democracy. This opinion was expressed by several observers and community leaders in interviews with KOMPAS on the occasion of GOLKAR's 26th anniversary today.

This big job, they state, is not the task of GOLKAR alone, but is the responsibility of all sociopolitical and community forces, including the Indonesian Democratic Party (PDI) and the Development Unity Party (PPP). Nevertheless, it is GOLKAR's role that is most counted on.

"A commitment to development and democracy must be demonstrated by more tangible action," said Drs. H. Matori Abdul Jalil, secretary-general of the PPP DPP [Central Executive Council]. According to Sabam Sirait, former PDI secretary-general and currently a member of the Supreme Advisory Council (DPA), such action is quite possible, seeing that the two great forces, ABRI [Indonesian Armed Forces] and KORPRI [Indonesian Civil Servants Corps], are the backbone of the GOLKAR organization. "Don't think that GOLKAR consists merely of the GOLKAR at Slipi (i.e., the GOLKAR PPP)," he declared.

Democratization that incorporates openness is much needed, for, as Dr. Juwono Sudarsono of the University of Indonesia said, "Responses are needed to basic, pressing issues related to the changes now taking place in society." These especially include the emergence of a middle class in the big cities and most villages. This middle class is a result of social and economic changes that spring from the progress of development itself.

According to Matori, the first 25-year development period emphasized economic stability and development but brought a number of gains to the physical sector, too. Entering the second 25-year era, however, there must be efforts toward political development as well. "So far, there is an imbalance between our economic and political development, which means that democracy has not yet been fully realized," the PPP secretary-general said.

He feels that democracy which focuses on public participation is only at the "social support" stage and has not yet reached the essential "social demand and social control" stage.

"Openness means transparency, in the sense that what used to be hidden is now visible. It also means answering for the way that GOLKAR has handled government finances and enjoyed 'privileges' over the last 10 to 15 years," Juwono Sudarsono declared. He said the public will now demand, for example, that taxes be administered in the best possible way. This means that broader confidence in the bureaucracy needs to be created.

### Change Way of Thinking

According to UGM [Gajah Mada University] social psychologist Dr. Djamaludin Ancok, it may be hard for GOLKAR to fulfill such hopes because it is so conspicuously close to the bureaucracy. In fact, we may be more able to look to ABRI for steps toward democracy, because, besides performing a social function, ABRI is the protector of the nation's security.

Ancok believes that the only way that GOLKAR can play a bigger role in expanding democracy is for GOLKAR people to change their way of thinking first. "GOLKAR people do not yet have the courage that ABRI people have," he asserted. He said the ability of GOLKAR people to speak out and to improve conditions would be greater if elections to political offices or party leadership were direct rather than through the parties.

According to the deputy chief of the UGM Population Research Center, many GOLKAR people as individuals support the establishment of democracy in our national life. When they must speak as GOLKAR members, however, they cannot manage to say the words. "There appears to be a kind of organizational bondage in GOLKAR circles. This situation indicates that GOLKAR does not yet have self-confidence and gives the impression it is subordinate to the bureaucracy," he added.

In fighting for the rights of the people, GOLKAR is making an effort to establish democracy and do other things because it does not want to be abandoned by its supporters. "As the sociopolitical organization with an absolute majority, GOLKAR cannot leave its roots," said Loekman Soetrisno. Furthermore, GOLKAR must dare to speak out and to oversee the way the government is run.

The senior researcher at the UGM P3PK (Center for the Study of Rural and Regional Development) also stated that GOLKAR is the one who should be discussing how long a president can hold office. [passage omitted]

### GOLKAR Views on Presidency, Next Election

91SE0013D Jakarta KOMPAS in Indonesian 20 Oct 90  
p 1

[Text] Jakarta (KOMPAS)—The Functional Group (GOLKAR) is still searching carefully for a presidential candidate for the 1993-98 term. For that reason, GOLKAR will not make the usual statement of unanimous support for a candidate.

GOLKAR DPP [Central Executive Council] General Chairman Wahono said this on Friday afternoon [19 October] in an interview with 10 reporters at the Hilton Hotel in Jakarta.

The GOLKAR general chairman said GOLKAR does not yet have a specific person whom it is readying for the presidential nomination. It is too early for that, and many things could happen. GOLKAR will give careful consideration to the matter when the time comes.

"GOLKAR is now still searching carefully," said Wahono, who was accompanied by other GOLKAR functionaries, including Rachmat Witoelar, Soegeng Widjaja, Agung Laksono, Zulharmans, and Freddy Latumahina. He said that the institution of the presidency is clearly regulated by article 7 of the 1945 Constitution: "The president and vice president shall serve 5-year terms and may be reelected."

With regard to recommendations that have come from the public about the president's term of office, the GOLKAR general chairman said it is not appropriate to discuss the issue now. It should be discussed when the MPR [People's Consultative Council] holds its general assembly.

### Ties With ABRI

At another point in his remarks, Wahono explained the relationship between the GOLKAR DPP and the GOLKAR Faction (F-KP) in the DPR [Parliament]. He said that the mechanism GOLKAR has developed to strengthen the roles of its cadres in the DPR and DPRD's [regional legislatures] is like a rubber band. Sometime, GOLKAR tightens it but at other times intentionally loosens it.

In an atmosphere like the present one, GOLKAR will loosen it. An example is the issue of midterm replacement of a DPR member, usually referred to as "recall." Except in cases of organizational discipline violations, GOLKAR is going to abolish "recall."

Wahono believes that to expand Pancasila democracy GOLKAR will always encourage the growth of social communication in order to bolster national development as well as social control. He noted, however, that the control "culture" promoted by GOLKAR is marked by a family spirit, a sense of responsibility, and mutual help.

According to an ANTARA report, Wahono said that GOLKAR will not distance itself from the bureaucracy

or from ABRI [Indonesian Armed Forces], for it wants to retain its long-held ties with these groups. He said that GOLKAR's relationship with the bureaucracy and ABRI is a historic one and that they have a common history and common vocational, professional, and functional aspirations. "The 'big family' mechanism will endure and remain valid, because all members of it possess a common foundation and support common goals," he declared.

The GOLKAR general chairman denied that GOLKAR is merely the government's "electoral machine" or that in daily practice it is only a "political broker" for decisions on regents, governors, and business opportunities. He said it needs to be understood that GOLKAR has developed in society as an organization of cadres that voice voter sociopolitical and socioeconomic aspirations through legislation and through control of the executive branch in the daily affairs of the voting public.

### Elections

As for the 1992 election, he said that the people, as ultimate holders of sovereignty, are no longer easily manipulated or enticed by promises. GOLKAR is depending on its cadres and sympathizers to enable it to keep its seats in the DPR and DPRD's in level I and II regions.

After speaking to a GOLKAR level II leader's conference on Thursday [18 October], Minister of Home Affairs Rudini said he hopes GOLKAR, as the largest sociopolitical organization, will help to make the quality of the 1992 general election better than in the past. He hopes that with the cooperation of the other election participants GOLKAR will be able to prevent the various kinds of accusations that could discredit the election.

As the "referee" in the 1992 election, the minister said he will take firm action. If any participating organization, including GOLKAR, violates the jointly approved rules and regulations, he will issue a warning or, if necessary, give the "red card."

The home minister also declared the government's determination to conduct the election seriously and in compliance with applicable regulations, in order that its implementation will be better than that of any previous election.

Rudini, who is chairman of the PPI (Indonesian Election Committee), also guaranteed that the participating organizations will have a bigger role in the 1992 election. As proof, he cited Government Regulation No. 37 of 1990, which embodies this determination. The regulation will make the 1992 election more open and democratic and will give the same roles to all participating organizations.

As a concrete example, he called attention to the provisions for registering candidates. Each participating organization is given the same right and function in overseeing registration.

Wahono also promised yesterday that GOLKAR will not violate "fair play" in the election. When asked about GOLKAR's relationship with the PPP [Development Unity Party] and the PDI [Indonesian Democratic Party], the GOLKAR general chairman said that the parties are equal partners and participants in healthy competition as they conduct public political education in the widest sense.

### No Change Expected in GOLKAR Ties

91SE0012A Jakarta ANGKATAN BERSENJATA  
in Indonesian 20 Oct 90 p 1

[Text] Jakarta (ANGKATAN BERSENJATA)—Wahono, general chairman of the GOLKAR [Functional Group] DPP [Central Executive Council] said that GOLKAR will not distance itself from the bureaucracy or from ABRI [Indonesian Armed Forces], for it wants to retain its mechanism for communicating with these groups.

"GOLKAR, ABRI, and the bureaucracy have all learned much from the nation's experience and fully realize the necessity for solidarity and cooperation in implementing and perpetuating national development," Wahono said in Jakarta on Friday afternoon [19 October] as he described the relations that exist among GOLKAR, the bureaucracy, and ABRI.

In a press conference related to the upcoming 26th GOLKAR anniversary, reporters asked if GOLKAR will retain its present mechanism for communicating with ABRI and the bureaucracy despite the increasingly strong appeals for GOLKAR to distance itself from these groups, which have been GOLKAR's chief partners.

According to Wahono, who was accompanied by GOLKAR Secretary-General Rachmat Witoelar and a number of other GOLKAR officials, GOLKAR has been characterized from the beginning by a relationship with the bureaucracy and ABRI, with which GOLKAR has a common history and common vocational, professional, and functional aspirations.

Nevertheless, Wahono continued, GOLKAR is confident that it can maintain its present "big family" format as a lasting configuration for undergirding New Order forces.

"This 'big family' mechanism will endure and remain valid, because all members of it possess a common 'platform' and support common goals," he declared.

### Historic Facts

According to the former East Java governor, GOLKAR-ABRI ties are historic facts brought about by the momentum of the birth of the New Order as a reestablishment of the republic's constitution proclaimed on 17 August 1945. They reestablished the constitution despite numerous interferences and obstacles.

Through their experience in dealing with these interferences and obstacles, both GOLKAR and ABRI have learned much about the importance of a "republican alliance" for facing domestic and foreign forces "opposed to the republic proclaimed on 17 August 1945."

"Therefore, ABRI's affiliation with all the forces of our Pancasila society is a permanent commitment, not a temporary one," Wahono asserted.

Thus, according to the GOLKAR general chairman, all New Order forces are an alliance for the pure and consistent implementation of the 1945 Constitution, and they stand always in strongly closed ranks.

Similarly, Wahono feels that ABRI has very strong ties with all the people, including the sociopolitical forces.

"Because GOLKAR with its broad aspirations has the confidence of voters, its affiliation with ABRI is a very important part of the ABRI concept of alliance with the people," Wahono said. He denied the charge that GOLKAR has been nothing more than a "tool" of ABRI.

#### Not a 'Political Broker'

The GOLKAR chairman also denied that GOLKAR is merely the government's "electoral machine" or that in daily practice it is only a "political broker" for decisions on regents, governors, and business opportunities.

"The terms 'electoral machine' and 'political broker' reflect a different world of thought, one that sees the execution and implementation of our national activities as the only function there is," Wahono said.

It needs to be understood, however, that GOLKAR has developed in society as an organization of cadres that channel voter sociopolitical and socioeconomic aspirations through legislation and through control of the executive branch in the daily affairs of the voting public.

As examples, Wahono cited GOLKAR positions on land affairs, the Agrarian Law, cooperatives, environmental pollution, public welfare, the bureaucracy, deregulation, and debureaucratization.

Wahono was asked if GOLKAR, as a hegemonistic party, has prospects for becoming like, for example, the Mexican PRI [Institutional Revolutionary Party] by bringing about major political changes such as limitations on the president's term of office. He replied that the needs of government mechanisms vary from one culture to another.

As an organization with renewal at its heart, he said, GOLKAR believes that the New Order has generated major political changes, such as the 1985 legislation on community and political organizations; the MPR [People's Consultative Council] decision on P-4 [Guidelines for the Implementation of Pancasila]; the ruling on a single political principle, culture, and procedure; and

social relationships that have produced a political culture reaching to the village level.

#### Thorough Review

In reply to a reporter's question about whom GOLKAR will nominate for president, Wahono said that GOLKAR is still conducting a thorough review and will not present a nomination during the 1992 election campaign.

The GOLKAR general chairman said GOLKAR does not yet have a specific person whom it is readying for the presidential nomination. It is too early for this, and many things could happen.

With regard to the appeal by Minister of Home Affairs Rudini to abstain from use of big parades, Wahono said that GOLKAR will comply with applicable laws but that if conditions require a big parade GOLKAR will take advantage of that approach.

He said that whatever campaign methods are used, GOLKAR will always try to raise the quality of the campaign so that votes for GOLKAR will be sincere and based on individual conviction.

Wahono said that declaring a holiday for the election, as has been suggested, would be inefficient. Since voting only takes a minute or two, there is no need for workers to have the day off.

In order to avoid the appearance that employee voting is monitored by superiors, he said that polling places should not be located exclusively in the workplace.

With regard to campaign use of pictures of prominent people, such as first President Bung Karno [Sukarno], by participating organizations, Wahono said GOLKAR feels such a practice could cause trouble.

Bung Karno belongs to the Indonesian nation and not to a single sociopolitical organization. Officers of the Election Board (LPU) will naturally regulate such matters, Wahono added.

#### Official Criticizes Pace of Political Development

91SE0009C Jakarta KOMPAS in Indonesian  
2 Oct 90 p 13

[Text] Yogyakarta (KOMPAS)—Political stability and security constitute an important infrastructure in bringing national development to realization. However, there should not be too much emphasis on these aspects of political development. Social control and the public's right to speak should not be treated like faucets that are to be opened very slowly, for such a policy will cause neglect of democracy, fairness, and even distribution.

Drs. Slamet Effendi, chairman of the GOLKAR [Functional Group] DPP [Central Executive Council] Youth Department, expressed this view on Saturday [29 September] in a seminar entitled "Islam Faces the Second 25-Year Phase of Indonesian Development," which was

sponsored jointly by Asrama Putra and the Sunan IAIN [State Islamic Institute] at Kaliyogo, Yogyakarta.

Speaking on the subject "Indonesian Political Development Oriented to Democracy, Fairness, and Even Distribution," Slamet Effendi, who is also chairman of the Ansor Youth Movement, said the issue of Indonesian political stability and security is always expressed in terms of "dynamics," as though there were a conflict in society. "Such excesses do occur and cannot be avoided; and it is for that reason that political development oriented to democracy, fairness, and even distribution is needed. We do, in fact, possess the concept; but, looking at the situation, we have to say that there is a difference between concept and practice," he explained.

For that reason, Slamet declared, the best way to achieve such political development is to keep the "dynamics" and excesses related to political stability and security to a minimum. The first step that must be taken is to improve the community's political viewpoint and ethic.

Slamet Effendi said further that a more concretely expressed democracy is needed to restrain excesses in the development of political stability and security. "The meaning of 'the people' needs to be spelled out more concretely. 'The people' is not merely a concept. The meaning of the 'people's mandate' must be truly put into practice. That means there must be the maturity and freedom to express opinion."

Dr. Mochtar Mas'us, a member of the teaching staff of the UGM [Gajah Mada University] FISIPOL [Sociology and Political Science Faculty], said that Indonesian political development is being measured merely by productivity and administrative capability. "The only measure being used is that the APBN [national budget] is 10 times greater than it was a few years ago and that the government has built housing."

#### **Government To Set National Quality Standards**

91SE0015B Jakarta ANGKATAN BERSENJATA  
in Indonesian 26 Oct 90 p 3

[Text] Jakarta (ANGKATAN BERSENJATA)—Indonesian National Standards (SNI) will be put into full effect in 1994 for the sake of facilitating penetration of foreign export markets and enabling producers of export products to improve their competitiveness.

The National Standards Board, which is composed of leading scientists, will hold a 1-day seminar entitled "Indonesian National Standards and Quality Assurance in Support of Exports." Herudin Kartowisastro of LIPI [Indonesian Science Institute], Dr. Ariono Abdulkadir of the Indonesian KADIN [Chamber of Commerce and Industry], and Rahardi Ramelan of BPPT [Body for Study and Application of Technology] spoke to the press yesterday about the necessity for orienting the public to standardization and product quality as 1994 approaches, when national standards will be applied fully in all sectors.

The many standards issued by authorities such as the Department of Industry (SII [Indonesian Industrial Standards]), the Department of Trade (certificates of quality), PLN [State Electricity Enterprise], and the Department of Health will merely refer to the national standards.

The application of national standards means responsibility for everyone, producers as well as importers. Technical agencies will enforce the law.

"Although there are laws that could cover responsibilities for meeting national standards, a law is needed to assure enforcement of the standards for the sake of national interests as well as consumers," Ariono said.

#### **No Guarantee**

Herudin said further that the various kinds of existing standards, like the SII, do not guarantee that Indonesian standards will be accepted in other countries.

As a result, Ariono said, since Indonesian producers are still in a "buyers' market," they have to negotiate on standards with foreign importers in order to get market share.

To facilitate the marketing of Indonesian products overseas, we need to create a laboratory specifically for testing the quality of export products. Quality should be consistent with the standards of importing countries, like the PRC. The PRC has established a quality assurance laboratory in cooperation with the U.S. Government for the purpose of testing products to be exported to the United States, said Drs. Mudjiono, chief of the PPMB (Product Quality Testing Center) of the Department of Trade.

"In fact, the Department of Trade is now exploring the possibility of a memorandum of understanding with the United States on quality standards for goods exported to that country. This will facilitate Indonesian penetration of the export market there," he said.

The KADIN itself will conduct orientation on all standards for product quality and types through its affiliated associations. Thus, producers will be compelled to adapt their products to these standards.

In the 1-day seminar, which will be held on 1 October [as published] at the Manggala Wanabhakti Building, about 200 industrialists are expected to participate in the discussion of six papers to be presented by experts on industry, economics, and mining.

#### **Satellite Capabilities Seen by Year 2000**

91SE0007A Jakarta ANGKATAN BERSENJATA  
in Indonesian 28 Sep 90 p 3

[Text] Jakarta (ANGKATAN BERSENJATA)—Minister of Research and Technology/Chairman of BPPT [Body for Study and Application of Technology] Prof. Dr. B.J. Habibie said in Jakarta on Monday [24

September] that by the end of the 20th century IPTN [Nusantara Aircraft Industry] will be able to build a communications satellite as well as construct the N-250 aircraft in its entirety.

Preparations for building a communications satellite are now being made with the Hughes Company in the United States, Habibie said in an aircraft industry seminar held by the Aeronautics Board (BKP) of the Indonesian Association of Engineers (PII).

Habibie said that it is right, and even essential, for Indonesia to have such a goal as a part of international aerospace development.

"The government has declared its commitment and 'political will' for achieving this space industry goal, which serves national interests rather than those of particular individuals or groups," Habibie declared.

Habibie, who is chairman of the PII board of directors, said 1996 is the target year for construction of the N-250, for which all components will be made by Indonesians. The plane will be introduced on the occasion of the "Indonesian Aerospace Exhibition."

Habibie invited Indonesia's basic and intermediate industries to supply parts to IPTN for the N-250. If necessary, the Indonesian companies may establish cooperation with foreign aircraft manufacturers.

He added that a number of foreign aircraft manufacturers have also been invited to invest in the manufacture of specific N-250 components via cooperation with reliable Indonesian companies.

Another IPTN goal for the 21st century, Habibie continued, is a capability for the continuous supply of components for every aircraft made by the world's big aircraft makers. These include Boeing, General Electric, Fokker, and others.

"We do not need to be afraid of competing with the quality products of famous international aircraft companies, for I am confident that our capabilities as a nation of fighters can bring our objective to realization," Habibie asserted enthusiastically in his unique style.

#### **Nation Needs More Computer Experts**

91SE0007B Jakarta ANGKATAN BERSENJATA  
in Indonesian 7 Oct 90 p 3

[Text] Jakarta (ANGKATAN BERSENJATA)—Although the training of computer experts in Indonesia is now more extensive than in the past, many more experts are still needed.

Jafar Basri, chairman of the Indonesian Information and Computer Professional Association (IPKIN), said this during the opening program of the 1990 Computer and Education Exhibition at the Jakarta Design Center yesterday. He said a University of Indonesia study shows that Indonesia needs about 700,000 computer experts,

whereas there are now only 25,000 students studying computer science in Indonesian colleges.

Responding to a question about developments in the computer industry, particularly the PC [personal computer] sector, he said that while on the one hand the situation is good, on the other hand we often find problems with postsale service. "Many nonprofessionals who buy computers find that the machines break down after only a few months," he said.

To deal with this, he proposed formation of a type of "consultation bureau" under the Department of Industry. A nonprofessional intending to buy a computer could then consult first with the bureau. For the immediate future, a prospective computer buyer can talk with the Consumer Institute first.

The junior minister for industry said in a speech read by Syafarodin Sabar, a member of the minister of industry's specialist staff, said that one way to create a strong industrial sector is to develop the electronics industry through manufacture of high-technology products such as computers.

The development of this industry is closely tied to our efforts toward entry into the information era. There are strong reasons why we should move in this direction, for information is a strategic commodity.

He said the development of our national computer industry will be enhanced by mastery of industrial design and engineering and by development of the electronics component industry. The component industry should be oriented both to national development and to exports.

The exhibition, which is sponsored by PT [Limited Company] Indomarcom Mediatama, will last until 1 October [as published] and has participants from 105 companies.

Of the participating firms, 70 percent are computer companies exhibiting various makes of computers; and 20 percent are computer education institutions, innovative enterprises, and universities.

#### **Finance Minister Urges Banks To Expand**

91SE0008B Jakarta BISNIS INDONESIA  
in Indonesian 3 Oct 90 p 3

[Text] Tokyo (ANTARA)—Minister of Finance J.B. Sumarlin says Indonesian banks should be encouraged to expand their networks, both at home and abroad.

In written remarks read yesterday by Director General for Monetary Affairs Oscar Suryaatmadja, Sumarlin said he hopes that such expansion will help the development process through the utilization of alternative sources of financing and through greater mobilization of funds needed for development.

After inaugurating a BBD [Bank Bumi Daya] branch office in Tokyo, the finance minister said the opening of

this branch of a government bank is an effort to strengthen our financial system and improve capability, efficiency, and competitiveness.

He said Japan is Indonesia's most important trading partner.

During the last five years, Indonesia's exports to Japan made up almost 44 percent of all Indonesian exports, and imports from Japan constituted about 26 percent of all Indonesian imports.

Financial services need to be expanded to support this economic activity, Sumarlin said.

Sumarlin said the purpose of opening the BBD branch in Tokyo is to boost the dynamics of Indonesian banking.

Public confidence in banks must always be safeguarded. Hence, banks need to strengthen their attitude of responsibility, Sumarlin said.

BBD Principal Director Surasa said the BBD branch in Tokyo is necessary because Japan is important to Indonesia as an economic partner. Furthermore, Tokyo is one of the world's most important capital and money markets.

Since Japan is an important trading partner, it is hoped that the BBD branch in Tokyo will support government policy by helping to expand Indonesia's nonoil exports and encourage Japanese investment in Indonesia.

The BBD has the challenge of bringing these hopes to realization, Surasa said.

### Political Openness Hailed by 'Group of 50'

91SE0009A Jakarta KOMPAS in Indonesian  
29 Sep 90 p 1

[Text] Jakarta (KOMPAS)—The more open attitude recently shown by the government has received a positive reception in a number of circles, including the Petition Group of 50.

"We are all pleased with these developments and hope that openness on the part of everyone will continue to grow," H. Ali Sadikin, one of the leaders of the group, told the press on Wednesday night [26 September] at a reception in his home.

The former governor of Jakarta said he hopes that the right to disagree within constitutional bounds will be fully acceptable to everyone, because such an attitude represents a unique dynamic in our life as a nation and state.

In his meeting with a number of senior journalists, Bang Ali [Ali Sadikin] also said he hopes the press will take full advantage of this attitude of openness. He acknowledged, however, that there have been obstacles within the press itself.

B.M. Diah said in his comments that the press itself needs to keep striving for even more openness, using methods consistent with the current political culture. "Openness is not for the sake of a particular group but is in the interests of the entire nation, and it is mainly up to the press to achieve it," Diah said.

The reception was attended by several other figures from the Petition Group of 50, including Slamet Bratanata and Dr. Azis Saleh. They were in general agreement that the atmosphere of openness will become even better, and they hope for a more positive attitude on the part of every one.

### Constitutional

KOMPAS made separate contacts yesterday, Friday, with several DPR [Parliament] members to get comments on Ali Sadikin's statement and on the activities of the Petition Group of 50. The DPR members said each citizen has the right to express his opinion as long as he does it in a constitutional way.

"Differences of opinion on a matter should be respected. In fact, President Suharto himself said there should not be too much concern over the emergence of differing thoughts among the people," Rachmat Witoelar said. The GOLKAR [Functional Group] secretary-general said this also means that the Petition Group of 50 should listen to the opinions of other people.

"Openness is indeed essential to the phasing in of democracy. However, it will be destructive if openness means an alternative that retreats from the existing consensus. We must be alert to this, for it could interfere with our concentration," he said.

Budi Hardjono, deputy secretary of the F-PDI (Indonesian Democratic Party Faction), said the DPR will accept as input anything the Petition Group of 50 submits. "Various opinions from citizens are essential to the effort to create dynamic stability, as long as those opinions are submitted in a constitutional way."

Oka Mahendra, deputy chairman for political and security affairs of the F-KP (GOLKAR Faction), said he felt that openness and differences of opinion are no longer a problem. Like Rachmat Witoelar, he emphasized that the president himself said we do not need to be concerned about differences of opinion, because such differences are part of the dynamics of democracy.

In fact, the F-KP is open to dialogue with any citizen. "We are willing to talk with the Petition Group of 50 if it so desires, as long as its objective is to support the 1945 Constitution and Pancasila," Oka Mahendra said.

In his evaluation of the kind of statements usually made by the Petition Group of 50, Oka said the government has a clear position of not discriminating between citizens. The important thing is that whatever is done must not cause instability or disrupt the nation's unity and integrity.

The F-PDI also opened a door for dialogue between DPR members and the Petition Group of 50. Royani Haminullah, an F-PDI leader who is also deputy chairman of the PDI DPP [Central Executive Council], said that the F-PDI will accept a dialogue with the group if it so desires. He also said he feels that the press has the liberty to report on the Petition Group of 50 and its ideas. Such reporting would permit the group's thinking to be used in discussions of the nation's future.

### **Press Freedom Called Measure of Democracy**

91SE0010B Jakarta KOMPAS in Indonesian  
29 Sep 90 p 1

[Text] Jakarta (KOMPAS)—Freedom of the press is one of the ways to measure the development of a democratic political system. The press is not merely a neutral observer but plays an important role in political life.

Albert Hasibuan, SH [Master of Laws], general manager of the SUARA PEMBARUAN daily newspaper and member of the DPR [Parliament] GOLKAR Faction, made this statement on Thursday [27 September] in Jakarta in a seminar entitled "Future Political Systems and Organizations." The seminar was sponsored by the Institute for Strategic Studies for Indonesia (ISSI).

Albert said that if a press organization uses its freedom to violate norms, ethics, or laws, it should of course accept responsibility under applicable statutes. "However, sanctions should not include cancellation of its SIUPP (press enterprise license)," he added.

In the past, he said, the press functioned merely as an observer, but that is not true now. "The press and the media are 'agents in the political process.' The press can do more than raise political issues; it can in fact bring a politician's career to an end."

According to Albert, who is also general chairman of the Indonesian Association of Masters of Law (PERSAHI), the purpose of press freedom is to make people aware of themselves and able to develop themselves as "enlightened" human beings. This is the objective of the press and mass media, as articulated in the Basic Press Law through the words "promoter of thinking that is critical, constructive, and progressive."

If thoroughly understood, freedom means not only "human enlightenment," but human autonomy as well. "This autonomy relates to a person's ability to think for himself without being influenced intellectually or psychologically by anything outside of himself," Albert stated.

Such an understanding of autonomy, he continued, requires the freedom to speak and express opinion, because there is a close relationship between thinking and speaking. Obviously, a person cannot think freely if he cannot speak, and vice versa. Therefore, autonomy requires freedom to speak and express opinion and the freedom to hear.

### **Two Functions**

As for the role of the press in the future political system, Albert stated that the system will continue to be democratic, as it is now. Because the press will embody the principle of freedom, as articulated in article 28 of the 1945 Constitution, the functions of the press and mass media will automatically be closely related to the development of democracy.

The press possesses two functions in the development of democracy: communication and criticism. These two functions are based on the idea that the sovereignty of the people is central to democracy. Because the people are the primary decision makers in a democracy, it is clear that they need information and perspective if they are to make correct political decisions. Thus, the press's function is to provide to people and their political leaders the information they need about the issues that affect them.

The criticism function is that of being the "people's watchdog" by making independent and objective criticism and by evaluating government power and institutions so that they do not hinder the development of democracy.

This oversight function is often an issue, for the press is referred to as the fourth branch ("fourth estate") of government, i.e., in addition to the executive, legislative, and judicial branches. "Actually, this critical function need not be an issue. The use and purpose of the press is clear, namely the development of democracy, the emergence of 'human enlightenment,' and human autonomy. The popular term for this is the 'complete man,'" Albert declared.

He acknowledged, however, that the issue is not as simple as he made it seem. Because of these two functions of communications and criticism, the mass media are increasingly emerging as actors in political life. As a result, the press can incur sanctions and become an arena of political struggle.

Although the press has a criticism function, Albert declared, it must also be open to critical observation and inspection of itself. The press must be judged as to whether it plays its role properly and whether its informative and critical functions are performed correctly and are acceptable to the people.

### **Finance Officials Voice Concern Over Inflation**

91SE0012B Jakarta KOMPAS in Indonesian  
24 Oct 90 p 1

[Text] Jakarta (KOMPAS)—The 1990 inflation rate, which as of September reached 8.11 percent, nearly the same as for all of 1987, indicates that economic conditions require attention. An inflation of 0.5 percent or more in October will show that inflation is still high.

Drs. Radius Prawiro, coordinating minister for economics, finance, industry, and development control, and

Central Bank Governor Prof. Dr. Adrianus Mooy said this on Tuesday [23 October] in Jakarta at the Second Congress of the Indonesian Financial Executives Association (IFEA).

By way of comparison, Radius said that inflation was 8.9 percent in 1987, 5.47 percent in 1988, and 5.97 percent in 1989. In 1990, inflation has been growing rapidly and in only nine months has approached the 1987 rate.

According to Radius, this rapid rise has occurred because the economy has expended beyond its capabilities. Reasons for this situation include the fuel price hikes made in May 1990 and subsequent increases in rates for services. The biggest factor, however, has been increased demand, which is closely tied to the expanded investment, financial, and banking activity spurred by the banking deregulation of 1988.

Radius revealed that in fiscal 1989-90 there were 35 new banks, bringing the total number of banks to 146. Yet others were added in March 1990. Bank branch offices doubled to 2,280, and 10 mixed-function banks were formed.

From March 1988 to March 1989, loans rose by 33.7 percent from about 33.62 trillion rupiah to 44.94 trillion rupiah. During the same period in the next year, loans rose by 62.8 percent to 73.16 trillion rupiah.

Radius explained how excessively high inflation will have a broad and serious negative impact on Indonesian socioeconomic conditions. Furthermore, high inflation will reduce the competitiveness of Indonesian products on foreign markets. Public confidence in the rupiah will decline, and people will depend on foreign currencies. Speculation and stockpiling of goods will increase. Under such conditions, there will be greater pressures for deregulation.

If these conditions can be corrected by deregulation, there will be another problem in the form of capital flight to other currencies or overseas. An unavoidable socioeconomic effect will be a heavier cost-of-living burden on fixed-income citizens. Productive business activity will increasingly meet a dead end.

Therefore, the government intends to act decisively to reduce inflationary pressures. The government will also strive to use oil revenues in the most efficient way possible in order to resolve the big imbalance between the demand for goods and services and their availability.

Radius cautioned that each increase in demand must be matched by an increase in supply. If necessary, goods and services should be imported when they cannot be supplied by domestic producers.

Adrianus Mooy said that if inflation in October is as high as in August and September, when it ranged from 0.5 to 0.59 percent, this will show that inflation remains high. Therefore, tight monetary policies will continue to be followed. He did not say specifically, however, that such policies will be continued indefinitely.

A. Mooy acknowledged that deregulation would be a long-term economic strategy and would not be advantageous in the short term. New steps toward revitalization will be taken when economic conditions are healthy again, i.e., when there is balance between demand for goods and services and their availability.

"Therefore, I call on everyone to cooperate fully so that efforts to restrain inflation will work well. If businessmen feel that six months is not too long, the government will go along with that," Mooy said. "If they think it is too long, the government will consider their views."

#### Not Able To Keep Up

University of Indonesia economist Dr. Dorodjatun Kuntjorojakti said it will be hard for the government to keep inflation under two digits before the end of 1990, because the international economy still affects our own economy. The planned increase in civil service salaries also stimulates inflation.

Another impact of government action to restrain inflation will be a decline in economic growth. Industrial operations and construction projects will be slowed. The most serious effects will be in "high income" sectors such as the automobile and electronics industries.

Nevertheless, Dorodjatun said, Indonesia is still fortunate, because most of our products are basic commodities. This means that current conditions will not have extensive impact.

#### Academics Critical of Government Policy

##### Gadjah Mada Manifesto

91SE0019A Jakarta EDITOR in Indonesian 13 Oct 90  
pp 23, 24

[Article by Riyo Sesono and Ibrahim G. Zakir]

[Text] Academics are more critical than politicians. On Tuesday of last week [2 October], Gadjah Mada University (UGM) in Yogyakarta "proclaimed" its ideas on a variety of national issues. The subjects were not only the currently popular ones, but strategic ones as well.

The "manifesto" submitted by a UGM "Team of Nine" is in the form of input for the GBHN [Broad Outline of State Policy] and the Second Long-Term Development Plan, for which the MPR [People's Consultative Council] last week distributed a questionnaire. The team was made up of nine experts in politics, economics, sociology, and history. Their proposals, in the form of analyses and recommendations on important issues, are being submitted for consideration in the drafting of the GBHN and the development plan. "These are actual UGM proposals. They are not trivial matters but things that require attention," said Prof. Dr. Mubyarto, professor on the UGM FE [Economics Faculty] and chairman of the Team of Nine.

The ideas submitted by these experts from the Bulaksumur campus are incorporated into a 38-page booklet consisting of three parts. Their comments range from discussion of presidential succession and land issues to views on development of law, all of which are packed with opinion. The first and second parts, A and B, respond to the questionnaire that MPR distributed to all state universities and to some private ones.

Work went on in seven meetings spread over five months and was capped by a seminar for presentation of results to a senate of professors. MPR BP [Working Committee] Chairman R. Soeprapto, delegates from DPR factions, and several Yogyakarta Regional Government officials also attended the seminar. "This is the voice of UGM, not merely of the Team of Nine," Mubyarto said.

R. Soeprapto did not contradict Mubyarto. He said that the purpose of the questionnaire was to determine the people's aspirations. "We want to know which way the people desire to go," Soeprapto said as he emphasized how important the people's aspirations are to the next GBHN.

This voice from Yogyakarta can be called criticism. It gives the impression of openness, and it is stronger than the voices of legislators or politicians. Their proposal on presidential succession is an example. The length of the president's tenure should be regulated like the tenures of governors, regents, rectors, and members of the DPR [Parliament] and DPRD's [regional legislatures]. Some positions have clear limits. According to article 7(1) of Law No. 5 of 1974, the tenure of a governor is limited to only two terms. "The presidency should be included in this category," the Team of Nine declared.

Article 7 of the 1945 Constitution says that the president and vice president may be reelected after serving terms of five years. Although complying with this provision, politicians could "engineer" an officeholder's continuous reelection, thus preventing orderly succession of leadership. "Complaints would result, followed by community action with negative impact on democratic life," the team stated.

The limiting of tenure, the team declared, is based on democratic and administrative considerations. Democracy means "change for the sake of change." Differences in interests, perceptions, and opinions in national life are basic requirements for democracy. "Thus, the proposed limitation on presidential tenure merely illustrates democracy—if indeed we want to develop democracy," said Drs. Herqutanto Sosronegoro, a member of the UGM Team of Nine.

Administratively, the situation is good, and the political system is stable. Change in leadership will no longer cause unrest and threaten the life of the nation and the state. "Nevertheless, leaders who remain in office too long produce 'vested interests,' which could cause structural deviations," the team concluded. Preventing the emergence of "vested interests" may be accomplished in

the way that ABRI [Indonesian Armed Forces] assigns "tours of duty" and "tours of area" in various territorial commands.

How many times, then, may a president be reelected? "That's very hard to say," Mubyarto said. The practices of other countries, such as the United States, where a president may serve twice, are not necessarily applicable to all places. "It's a local sociocultural issue and hard to formulate. UGM merely feels that the matter should be regulated. Politicians may know better how many times are the best," the UGM Team of Nine spokesman said.

Herqutanto had a different response. "Let the MPR think about it. We academics are merely giving a picture," he said. The senior UGM FISIPOL [Sociology and Political Science Faculty] lecturer added that no amendment to the 1945 Constitution is needed for this. "An MPR decision will be enough," he emphasized.

Another and no less interesting point was the question of political parties and democracy. The UGM feels the power constellation must change. The present political system does not adequately support the rise of a "sense of belonging" toward development, since the system does not give enough room for public participation. Changes should not be because of partiality to a political party, however. "Because the bureaucracy's power is now too great and dominant, it could change and become a threat to development itself."

Also, the structural ties between GOLKAR [Functional Group] and the bureaucracy must gradually be changed. For example, governors and regents no longer need to be members of the GOLKAR supervisory councils in their respective regions. In fact, it is time for the supervisory council to be eliminated from the GOLKAR organization. "Elimination of the council will contribute to GOLKAR's gradual move toward self-sufficiency. GOLKAR should no longer be an extension of the bureaucracy," said Muby, as Prof. Dr. Mubyarto is called.

The UGM's proposals contain much criticism and are quite bold. They will at least make everyone who cares about constitutional change think more seriously. "It is merely the community's impression that the proposals are harsh. We are just complying with the MPR's request and have no political pretensions," said UGM Rector Prof. Dr. Moch. Adnan.

### Ten Proposals

91SE0019A Jakarta EDITOR in Indonesian  
13 Oct 90 p 24

[Article by Riyo Sesono]

[Text] Here is a summary of the 10 points made by the UGM Team of Nine:

**25-year long-term plan:** A 25-year long-term plan is not actually necessary. Why? Because a GBHN is in effect only for the 5-year term of office of legislators. If

legislators establish a long-term plan, they are exceeding their authority and are limiting the rights of subsequent MPR members.

**Limitations on the president's tenure:** The president's tenure, like other political positions, must be limited. Orderly succession of national leadership is an element of political democracy.

**ABRI's dual function:** The dual function of ABRI needs to be formulated in a way that gives dynamics to the democratization process through application of universal principles to the Indonesian political system.

It is much hoped that ABRI will play a leading role in eliminating various kinds of negative forces, which include social inequalities, growth of excessive individualism, and political centralism.

It is hoped that there will be a process of "oneness" between the next generations in the military and civil spheres so that they will have the same perspective on the various sectors that relate to the community and the state.

**Economic democracy or Pancasila economy:** The Indonesian economic revival that followed a series of deregulation steps in 1983 again caused social unrest (which first appeared in 1980 and 1981).

Pancasila economic teachings, which were debated in 1981, need to be applied. They teach, for example, that the wheels of the economy are turned by economic, social, and moral forces.

**Corruption:** Bureaucratic corruption is the most common type of corruption found in Indonesia. Such corruption arises in both development and political administrative systems.

To resolve this, the Team of Nine proposed that, first, the administration of development be supervised from both inside and outside. Awareness of law must be intensified, and legal sanctions must be applied. Second, political administration must be regulated by law in order to prevent abuse of authority.

**Land issues:** Implementation of the Agrarian Law needs regulations on land use and land rights. The old regulations on maximum and minimum land holdings need to be reconsidered. Regulations are needed to stop the new absentee-landlord practices and on the changing of farmland to nonagricultural uses.

**Political parties and the bureaucracy:** The role of political parties, including GOLKAR, in the decision-making process is on the decline, and a "governing role" for political parties is officially absent from the Indonesian political system. The constellation of power must therefore be changed.

**Decentralization and autonomy:** Too much stress on uniformity as a development principle is causing neglect

of diversity, which is one of our nation's distinctive features. This needs attention.

**Foreign aid:** Foreign loans need to be watched. There should be a balance between the need for foreign loans and the desire to be more self-sufficient and self-supporting in national development.

**Development of law:** Precision of law is one of the things that will support a more democratic society in every sector. All inappropriate laws from the Netherlands era must be gradually replaced. If the substance of law is reformed, law on judicial procedure must also be overhauled.

### Democracy Within ABRI

91SE0010A Jakarta SUARA KARYA in Indonesian  
20 Sep 90 p 1

[Text] Jakarta (SUARA KARYA)—Democracy is growing and expanding within ABRI [Indonesian Armed Forces], but this democracy is not freedom for freedom's sake.

ABRI KASSOSPOL [Chief of Staff for Sociopolitical Affairs] Lieutenant General Harsudiono Hartas said this on Wednesday [19 September] to participants in the 18th HMI [Islamic College Students Association] Congress after presenting a speech written by ABRI Commander General Try Sutrisno. The KASSOSPOL's statement was in response to a question from an HMI branch delegate. The congress is being held at Pondok Gede, Jakarta.

According to Harsudiono Hartas, democracy is expressed within ABRI in the form of freedom to think and to submit suggestions. It is not freedom to criticize.

He said that every decision is based on consideration of suggestions from staff members. "When a decision is made, it becomes a commitment and must be obeyed at all echelons. Therefore, decisions cannot be appealed," Lt. Gen. Harsudiono asserted.

Another HMI member asked about the mass appointment of ABRI personnel to village chief posts in an East Kalimantan city. One of these appointees was said to be inexperienced and absolutely unqualified. The KASSOSPOL replied that village chief appointments are based on community selection.

Thus, no one is compelled to choose an unqualified person. If the person selected turns out to be incompetent, however, he will clearly be unable to lead the community. "If there should be compulsion, I will correct the matter," he stated.

When a delegate from the Jayapura HMI branch stated his desire to meet with the ABRI commander, the KASSOSPOL recommended instead that he meet with the assistant chief of staff for sociopolitical affairs in the delegate's own KODAM [Military Region Command], as representative of the PANGDAM [commander of

military region command]. "Speak candidly with him, and present your problem. I am sure he will welcome you," Harsudiono Hartas said.

#### **Demand**

In the ABRI commander's speech, which was entitled "ABRI and Democratization: ABRI's Role in the Second National Renewal Era," he said that one of ABRI's roles is to take part in persuading the entire national family that the second national renewal era is a national demand as well as obligation.

ABRI's performance of this role will proceed in parallel with its efforts to safeguard national unity and integrity in a harmonious and constructive way.

ABRI will also continue to encourage national participation, innovation, creativity, and productivity, particularly among the younger generation. The purpose of this is to produce new ideas that are nonetheless consistent with our national doctrines of "archipelago concept" and "national resilience."

#### **More Appreciative**

When Herman Widyananda, general chairman of the HMI PB [Executive Council], was asked to comment on the "opposition congress" being held in Jakarta by the Council for Rescue (MPO) of the HMI, he merely replied, "I do not want to comment now, because I have not yet presented my report on the matter to the congress."

Herman said he was more appreciative of the existence of the MPO than of leaflets that had been distributed to congress participants. "The MPO's mission clearly is to give the organization a better future," he stated.

The leaflet he referred to was one distributed to all branch delegates at the 18th HMI Congress by the Jakarta HMI branch and signed by Branch Chairman Jhoni Hendra, SE [Master of Economics], and Secretary A. Hamid Harahap.

The leaflet included allegations about financial irregularities on the part of the current HMI PB. The leaflet charged that, while the HMI PB led by Saleh Khalid had rejected a 33-million-rupiah SDSB [charity lottery] contribution, the HMI BP under Herman accepted the money and distributed it to HMI PB staff members, including Herman himself.

A youth organization observer characterized the 18th HMI Congress as much lower in quality than previous congresses. "This is because the leaders are worse. Furthermore, they are fettered by HMI's past image of greatness and thus have no motivation to do better than their predecessors," said the observer, who did not wish to be identified.

#### **Strict Enforcement of Minimum Wage Seen**

91SE0008C Jakarta ANGKATAN BERSENJATA  
in Indonesian 29 Sep 90 p 1

[Text] Ambon (ANGKATAN BERSENJATA)—Minister of Manpower Cosmas Batubara declared that there will be no compromise with companies which violate minimum wage provisions, because the Department of Manpower will persist until it brings them to court.

Opening the Maluku Regional Conference [MUSDA] of the SPSP [All-Indonesia Labor Federation] in Ambon this week, the minister warned that because wages are the most basic right of workers, employers must obey the law.

He said that consistent with the proclamation of 1990 as "Wage Year" the Department of Manpower will carefully monitor compliance with the minimum wage.

"I will not be hesitant to prosecute those who violate minimum wage provisions," he declared. He then added that the minimum wage will be steadily raised.

According to the manpower minister, the custom of paying low wages is not consistent with the concept of improving productivity nor with Pancasila Industrial Relations, which have now become ingrained in society.

So far, he continued, about 25 companies have been brought to court. Their managers have been punished by jail terms of 15 days to three months.

Cosmas explained that the purpose of such actions is to improve worker protection, which is one of the manpower priorities under PELITA V [Fifth 5-Year Development Plan].

The Maluku SPSP MUSDA, which is being attended by 50 delegates, is scheduled to continue until Friday, 28 September. The conference elected new directors in preparation for the Second SPSP MUNAS [National Conference], to be held at the end of the year.

#### **Affect Exports**

At a ceremony for the signing of joint labor agreements (KKB's) at PT [Limited Company] Barito Pacific Timber Group at Mangole, North Maluku, the manpower minister stated that employers must remain in compliance with manpower regulations.

He explained that KKB's and the formation of SPSP work units within companies will facilitate the production process and improve international trade. This means that Indonesian companies will be protecting their work force.

"If attention is not given to these matters, it is possible that some countries will reject Indonesian products. I do not want that to happen," the minister declared.

Cosmas also warned that workers must not be looked on merely as production tools. They must be appreciated as human beings possessing dignity and value and as partners in doing business and enjoying profits.

J. Maringka, director of Barito Pacific Timber Group, said in his remarks that he hoped all workers will appreciate and respect the provisions of the KKB's.

He added that all questions which arise should be resolved through consultation and consensus.

He acknowledged that workers have contributed to the company's progress and that it is appropriate for them to receive appreciation.

Of the nine KKB's signed, six were within the sphere of PT Barito, which operates in the lumber sector.

In Maluku, there are now 1,417 companies, of which 257 are in North Maluku. These firms employ 49,255 people. So far, only 31 KKB's exist in the province, whereas there are 240 companies under obligation to have them.

#### **Few Companies Seek Formation of Union Locals**

91SE0007C Jakarta *BISNIS INDONESIA*  
in Indonesian 26 Sep 90 p 8

[Text] Bogor (BISNIS)—Of the at least 26,000 factories in Indonesia, only 38.46 percent have set up SPSI [All-Indonesia Labor Federation] units. Of these, 6,000 factories have KKB's [joint labor agreements].

Following a ceremony in Bogor yesterday for the signing of a KKB at PT [Limited Company] Good Year, SPSI General Chairman Imam Soedjarwo mentioned the various obstacles to the creation of SPSI units and establishment of KKB's. One of these obstacles is the feeling of employers that an SPSI unit will be an employee complaint organization.

Another factor is a lack of awareness on both sides. Employers do not take enough initiative in the formation of SPSI units, and employees do not fully understand the benefits of such units.

In reply to a BISNIS question, he said that if the creation of SPSI units were made compulsory, efforts to cultivate a labor-relations consciousness among employers and employees would be nullified. "There has been no thought of making SPSI units compulsory," Imam stated.

Minister of Manpower Cosmas Batubara said in his remarks at the signature ceremony that of the 101 factories in Bogor only 39 have SPSI work units and KKB's.

#### **Workplace Tranquillity**

Cosmas said that KKB's create a tranquillity for work and conduct of business that is very beneficial to the success of national development.

He hopes that through these KKB's relations between workers and employers will foster cooperation that is inspired by Pancasila and the 1945 Constitution. Under such cooperation, all parties will demonstrate mutual respect and their need for each other and will understand their rights and responsibilities in all aspects of business. They will also expand community participation in national development.

"A KKB does not produce an arena or mechanism for haggling and confrontation but creates a method for coming together to solve problems jointly for the sake of better employee welfare and continued existence of the company," the minister of manpower said.

Cosmas then asked that the creation of KKB's be a regular occurrence and that the number and quality of KKB's be expedited, since they play a big role in creating good relations between employers and all their employees.

He said the companies with KKB's are very stable. Employers and employees jointly promote company progress and improve employee welfare.

**Company Repairs Road from Oudomsai to PRC Border**

*BK1411113690 Vientiane KPL in English 0907 GMT  
14 Nov 90*

[Text] Vientiane, Nov 14 (KPL)—A 65-km road from Oudomsai provincial town to Boten, a border area with

China, has been repaired since mid-October, said Keo Viangphon, head of the Oudomsai Road and Bridge Construction Company.

The repair involves upgrading the road surface and digging gutters, so far 45 per cent completed.

According to him, some sections of the road have been damaged over some past months, causing considerable difficulty to transportation in the area.

**Countries To Ease China Travel Restrictions**

91SE0014A Selangor SIN CHEW JIT POH in Chinese  
9 Sep 90 p 25

[Text] (Kuala Lumpur 8 September Dispatch)

The Chinese Embassy will do its utmost to approve visa requests from Malaysian citizens, and will also liberalize the period of stay in China.

A spokesman for the Chinese Embassy told this newspaper today that, generally, all a Malaysian citizen has to do is to show on his application the period of stay wanted, and the embassy will approve it.

He said that if a Malaysian citizen wants to request half a month, one month, or even a three month stay, there will be no problem.

Yesterday, the Malaysian government removed restrictions on travel to China. Malaysian citizens are free to go to China for sightseeing, a visit, to see relatives, to do business, and to seek medical treatment without limitations as to age and number of visits.

The Department of Immigration also verified that Malaysian citizens traveling to China will no longer have to go through the Ministry of Interior. They may request a visa directly from the Chinese Embassy. This means that the procedure for traveling to China is the same as for any other country such as the United States and Taiwan. All that is needed is to request a visa from the country concerned in accordance with normal procedures.

The Chinese Embassy spokesman also said that the embassy has not yet received formal notice of the Malaysian government's removal of restrictions on travel to China.

Nevertheless, the spokesman explained that all a Malaysian citizen has to do is have the Department of Immigration strike out the words "Not Valid For Travel to China" in his passport, and the Chinese Embassy will issue a visa.

The same spokesman also said that request for a Chinese visa usually requires from four to five workdays for processing, and a fee of from M\$20 to M\$40 is charged.

He said that under urgent circumstances, the embassy may provide special priority handling.

On the subject of some areas of the China mainland not open to foreigners, the spokesman said that Malaysian citizens may apply directly to the authorities concerned.

He said, for example, should a Malaysian citizen be interested in going to Tibet or Xinjiang, he could contact the local persons responsible. The teletype number is 68012-cn for Tibet, and 70190-cn for Xinjiang.

**Improved Procedures for China Travel Urged**

91SE0025A Selangor SIN CHEW JIT POH in Chinese  
21 Sep 90 p 31

[Text] Judging from the situation throughout the country, the confusion created by government removal of restrictions on free travel to China has not only not improved as of now, but the trend is toward confusion piled on top of confusion.

If one says that there is only a single unified standard, then regulations governing travel to China should be the same as regulations for travel to any other country. However, the situation today is one in which the Immigration Department, from south to north, uses different standards for travel to China.

When an application is made to the Immigration Department in the capital, the applicant need only fill out a form, and that is all there is to it. At the immigration department in Johor Bahru, copies of one's identity card and passport are also needed, and the degree of "freedom" is also slightly less—only six months of freedom being permitted. An extension of the period requires special approval. In addition, it is impossible to have the words prohibiting travel to China removed from passports. At Alor Star, removal of these no longer appropriate words requires that one present a totally irrelevant airplane ticket for travel to China.

If the regulation on filling out forms helps in the compilation of statistics or the collation of data, or if it serves to ease a sudden public rush to immigration departments to have the words prohibiting travel to China removed, such a regulation is understandable and acceptable. But approving only a six month stay is completely inconsistent with the principle of "free travel to China." Showing an airplane ticket is also an unreasonable regulation because usually only when a country is considering whether to issue a visa is an applicant required to show an airplane ticket. This requirement simply does not apply to a person leaving the country. Furthermore, inasmuch as government has already abolished limitations on travel to China, it is only natural that the word China be removed from the restrictions column. What sense is there in being difficult about this?

It appears that some conflicts exist between policy and execution on this matter. Possibly the reason is that orders have not yet come down from above. After the top level of the Ministry of Home Affairs made a decision, possibly it did not promptly issue complete enforcement methods. As a result each immigration department acts at its own discretion, and some of them continue to adhere to the old rigid policy toward China, making implementation of the policy impossible.

This state of mind is largely attributable to the standards used for handling matters during the past several decades, which were dominated by ideology. The people's contacts with China have become more varied, but officials continue to apply an out-of-date attitude to the

handling of problems. Actually, some government officials do not yet realize that the world trend is toward realism, and that dreamy ideology has been left outside this trend. When countries actively conduct exchanges and contacts to gain competitive advantage, if one remains complacent and conservative, its interests are bound to suffer.

Relations between Malaysia and China have been normal for 16 years. During this period positive results have been gained from both government-to-government and people-to-people contacts. Trade, in particular, has shown very great advances. This shows the correctness of the policy of openness, as well as the necessity for a complete strengthening of contacts.

Malaysia has played an active role on the international stage in recent years, becoming a vanguard among third world countries. The country's foreign policy has also developed from being fairly closed toward becoming fairly free. In keeping with this brand new role, it is necessary to be more open minded if twice the results are to be gained from half the effort, and to develop friendly relations of mutual benefit and mutual interest with neighboring countries.

Therefore, the rules regarding travel to China should be the same as for travel to other countries. There should be no double standard. The people should be accommodated in every way, and sincerity should be shown in the wholehearted development of relations between Malaysia and China.

In addition, government must also examine policies regarding visits of Chinese to Malaysia. If restrictions are lifted on the travel to China of our people while the travel of Chinese to Malaysia is limited, this is simply a one-way flow that cannot produce the benefits of a two-way flow.

When Chinese apply to visit Malaysia today, they must undergo careful consideration by our embassy in Beijing and by the Ministry of Home Affairs before being granted permission. At a time when trade and cultural exchanges between the two countries are increasing, and when family visits and tourism is becoming more and more frequent, such a tedious procedure is no longer consistent with needs.

We realize that these procedures are intended to avert the departure from Malaysia of large numbers of people for China that occurred during the 1950's, and the swarming to Malaysia of people that occurred when no restrictions existed. Thus, a certain amount of regulation is acceptable, but there is no need to complicate procedures for fear of a slight risk. In the end, such strict limitations can only be at the sacrifice of positive exchanges. Therefore, after reasonable examination and verification, so long as no security problems are involved, the issuance of visas should be speeded up.

In any case, we are happy to see that in recent years government has adopted a series of courageous policies

towards China that are on the right track, and that only a few scattered side issues remain to be straightened out. Happy news that arrives late holds no less positive meaning. When all is said and done, the outlook for Malaysian-Chinese relations is bright.

#### **Lifting Travel Ban Seen as Beneficial**

*91SE0014B Selangor SIN CHEW JIT POH in Chinese  
11 Sep 90 p 31*

[Text] Information from the Ministry of Home Affairs confirms that people of all races in the country are free to travel to China without restriction as to age or frequency of visits. Those traveling to China for the first time must fill out a form at the Department of Immigration, and after receiving approval, they may request a visa from the Chinese Embassy in accordance with ordinary procedures. This government announcement was generally welcomed by the people.

The government re-examination that permitted the people to visit China freely was influenced, no doubt, by the international situation. Government desired to use this tourism year to improve good will visits among Chinese. This was an extremely natural choice. In addition, it may further advance the development of tourism between Malaysia and China. Since the Commonwealth Heads of State Conference, Malaysia has continuously hit out successfully on the international battlefield against the decline in its national reputation. This has also buoyed up popular sentiment. Government's earlier announcement of the lifting of the ban on tourist travel to the three communist countries of Cuba, North Korea, and Vietnam was very naturally generally regarded as an enlightened action. Government's current approval of nationals' free travel to China will surely arouse more concern. Moreover, this announcement happens at a time when His Majesty will be visiting Beijing in October; thus, it is a focus of attention and approval of people in all walks of life.

Government's announcement at this time of the removal of restrictions on nationals to visit China may be said to have been influenced by greater changes in the domestic and foreign situation. First of all, government signed an agreement with the Malayan Communist Party at the end of 1989 whereby the Malayan Communist Party lays down its arms. The Communist Party threat has disappeared. Faced with the onslaught of the reform tide in eastern Europe, China has also greatly readjusted its foreign policy, and naturally its relations with the ASEAN countries are becoming closer. Under these circumstances, our government had to take some corresponding actions as well. Most evidently, it was during the time when China's Premier Li Peng visited Indonesia that the Cabinet decided to scrap the limitation on nationals' travel to China. Subsequently Indonesia and China announced the resumption of diplomatic relations, and Singapore is expected to follow suit in establishing formal diplomatic relations with China. In addition to emphasizing that future relations between

Malaysia and China will be more friendly, government's announcement naturally also aims at gaining wider room for maneuver in international society, thereby using the chips available to it to exercise greater influence.

It cannot be denied that the crucial issues that dominate our foreign relations today are no longer countries' ideological orientation. Diplomatic policy making authorities obviously appreciate this. The removal of restrictions on visits to Cuba and other countries was a marked policy change. If we have no clear-cut foreign policy, but continue to allow ideology to blind relations, the diplomatic efforts that the country has made in international society are also bound to gain only half the results for twice the effort. Therefore, in allowing its nationals to visit China freely, and in considering the simplification of procedures and conditions for Chinese commercial groups to request travel to our country, which helps exchanges and mutual visits between the people of both countries, will, no doubt, further show that government authorities are gradually readjusting their own pace in this rapidly changing situation.

For the people of Malaysia, abolition of limitations on visits to China is good news that makes them jump for joy, particularly people in the business world and in the travel business. Trade, cultural, and other relations between Malaysia and China will develop more fully with the removal of restrictions on travel to China. Once China with its huge more than 1 billion population opens up, it will become, without doubt, a wonderful market. In addition to increased economic association, the mutual visits of people from both countries is also bound to get rid of psychological obstacles on both sides, thereby promoting government-to-government and people-to-people understanding, and developing into each supplying what the other needs for mutual benefit.

Malaysia's and China's civil airlines have already agreed to begin flights in April 1991. This is bound to help promote the tourist industry in both countries. With government's removal of restrictions, the number of travelers visiting China is expected to increase. In the past, requests to visit China usually took a very long time. Now those concerned should do their utmost to simplify application procedures in keeping with the new circumstances. China has been practicing a policy of opening to the outside world for more than 10 years. The Malaysian tourism business should size up opportunities for gradually attracting Chinese to come to our country for sightseeing in conjunction with our country's ambition to develop the tourist industry.

Deputy Minister of Interior Meikechunieh [phonetic] disclosed that government's announcement of the removal of restrictions on visits to China met the desires of a majority of the people. Actually, formulation of the country's foreign policy must be founded on the desires of the people. Only in this way can it have the backing of the people's will, and a reliable consensus for action built. Secrecy must be maintained in the conduct of diplomacy, but foreign policy must be spelled out, and

openly announced. Government has to have confidence in the people. The formation of a consensus of all the people under the policy of abolishing limitations on travel to China, and enabling foreign policy to move ahead with encouragement from the national will makes it more possible to gain twice the results from half the effort.

We welcome government's lifting of restrictions on travel to China, and we hope that officials and the people will strengthen exchanges with China. Only visits between people, which advance knowledge and understanding of the sentiments of China's people, its customs, and policy position, and which take into account both the safeguarding and advancement of China's relations with us are in keeping with the meaning of opening to the outside world.

### Taiwan Authorities To Crack Down on Illegals

91SE0025B Selangor SIN CHEW JIT POH in Chinese  
21 Sep 90 p 2

[Text] (Taipei 20 Sept) Malaysia's deputy delegate to the Malaysian-Taiwan Friendship and Trade Center in Taipei, Chan Teck Chan, disclosed today that 17,362 Malaysians have slipped into Taiwan to work illegally. Consequently, should any more Malaysians risk entry, they will certainly be brought to book by the already alerted Taiwan authorities.

He said that the laborers could no longer ignore Taiwan's laws. They must patiently wait to enter Taiwan through normal procedures.

Official Taiwan figures show approximately 25,426 Malaysians citizens in Taiwan of whom 17,362 have been classed as "workers who have entered illegally."

He said that comparison with this figure with the figure for "workers who have entered illegally" between April and August 1989 shows no decline.

The figure in April 1990 was 17,864; in June it was 18,085; and in August it was 17,533.

### More People Deported

From January through June 1990, a total of 3,595 "workers who have entered illegally" were deported back to Malaysia, plus an additional 489 in July, 574 in August, and 626 in September.

Chan Teck Chan said that in view of the series of arrests and the recent strict enforcement of the law, more "workers who have entered illegally" will be deported back to Malaysia in the future.

He said that the Malaysian-Taiwan Friendship and Trade Center had reached accord with the Taiwan authorities concerned on this legal action. Heretofore, no one has been punished for overstaying his or her visit or for working illegally.

Chan Tak Chan said that the movement into Taiwan of all "workers who have entered illegally" has been specially organized through various special routes.

Subsequent instances of their exploitation or intimidation, and "trafficking" by agents or middlemen have involved illegal groups from Malaysia and Taiwan.

Their activities are now being followed and investigated by the authorities.

Chan Teck Chan revealed that currently 43 Malaysian are still in prison or in detention centers. This includes two who were sentenced to 15 years in jail, 71 who are being detained or who are awaiting trial, and one involved in the planning of murder.

#### **Consequences Risky for Those Who Defy the Law**

Chan Teck Chan admonished Malaysian to stop defying the law and not to take needless risks; otherwise, they would be sorry, because the Taiwan authorities are going to take strict actions against workers who have entered illegally.

He urged these people to wait patiently for the announcement of legalization policies, and to do everything in accordance with the law. They must be law-abiding, and let the lessons drawn from the sentencing of two Malaysians be a warning.

#### **Joint Cooperation in Industrial Development**

*91SE0026A Jakarta BISNIS INDONESIA  
in Indonesian 18 Oct 90 p 6*

[Text] Johor Baharu (Press bureaus)—The Malaysian Government plans to change Johor into an industrial region over the next 15 years. Private interests and the government will make investments of 4 billion ringgit for infrastructure construction during the next several years.

Malaysian Prime Minister Mahathir Mohamad said here on Tuesday [16 October] that his government plans to develop Johor into a strong industrial area over the next 15 years.

If the plan materializes, it will be the first such development in a Malaysian state. The Malaysian Institute of Economic Research is making the preparations, and the state government will supervise development. Malaysia has 13 states.

According to BUSINESS TIMES, private interests and the Malaysian government will invest 4 billion ringgit (about \$1.4 billion) for infrastructure construction.

Plans call for building a vacation complex worth 2.6 billion ringgit on the coast, a Singapore-Johor bridge costing 1.2 billion ringgit, a 410-million-ringgit highway, and airport and seaport enlargements costing 400 million ringgit.

During the first half of this year, foreign investment in 108 industrial projects in Johor totaled 1.2 billion ringgit.

Singapore announced on Tuesday that it was ready to help with development of a Johor technology park as part of the Growth Triangle concept encompassing Johor, Riau (Batam), and Singapore.

When the plan's details are approved, the government and Singaporean private interests will own shares in projects within the technology park, which will be located at Skudai, 15 kilometers northwest of Johor Baharu.

This will be the Singapore Government's first involvement in industrial projects in Johor. The state has also been invited to take part in projects in Singapore. In this way, both parties have taken the first steps toward development of the Growth Triangle.

Mah Bow Tan, who is Singaporean minister of trade and industry as well as minister of communications and information, said it is possible that a joint committee may be formed to oversee the industrial park project.

He said this in a press conference after he had witnessed the signing of an agreement by two companies, Sisin Food Industries and the Three Rifles Group, to cooperate in expanding their operations to Johor.

#### **Three Ways**

According to the STRAITS TIMES, Mah said the Singapore Government will participate in Johor industrial park development in three ways. First, Singapore will help Johor with a feasibility study of the Skudai area, where research and development facilities and high technology industries are to be built. Singapore will contribute the experience it has gained in managing Science Park and other successful local industrial areas.

Second, Singapore will help with the construction and management of the Skudai area. This is not a big problem for Singapore because of its experience in developing its own business and industrial areas.

Third, Singapore is willing to own shares in the technology park. "This indicates our strong determination to be involved in this joint project within the Growth Triangle framework," Mah declared. Ownership of shares is not limited to governments, but may include private interests as well.

#### **Inflation Rate Lowest in World**

*91SE0014C Selangor SIN CHEW JIT POH in Chinese  
11 Sep 90 p 27*

[Text] An International Business survey report shows Malaysia's inflation rate to be the lowest in the world. The economy may not be seriously affected by the Persian Gulf crisis.

According to the survey report, Malaysia's inflation rate for 1990 is only four percent. The rate of inflation in the Philippines is 13.5 percent, and for Indonesia and Thailand, it is 7.5 and 6.5 percent respectively.

In comparison with other countries of Asia, particularly the "Asian tigers," Malaysia shows up well. International Business predicts a nine percent inflation rate for Hong Kong in 1990, and a nine percent inflation rate for South Korea (whose government predicts 13 percent) as well, and a 10.1 percent inflation rate for Taiwan.

During 1978 and 1979, Malaysia's inflation rate reached 17 to 20 percent, and from 1970 through 1979, the inflation rate averaged 7.3 percent.

According to the International Strategy and Research Academy, the effect of the Persian Gulf crisis and the rise in oil prices is extraordinarily small. It predicts that if the price of oil goes to \$35 per barrel, Malaysia's inflation will reach 4.8 percent. Should it go to \$30 or \$28 a barrel, the inflation rate will be 4.5 and 4.4 percent respectively.

Before the crisis, the Malaysian government forecast that the inflation rate would climb from the 2.8 percent of 1989 to four percent in 1990. The consumer price index for the first 6 months of 1990 rose only 2.4 percent.

Professor Ismail Shalieh [phonetic] of the Academy said that even if the global price of oil rises, the effect on Malaysia will be extraordinarily slight. The effect on

non-oil producing countries will be greatest. He predicted that for each 10 percent rise in the price of oil, the consumer price index will increase between 0.3 and 0.5 percent, and that Malaysia will earn more foreign exchange and revenues from net oil exports. If the price of oil is maintained at \$28, export revenues will increase from M\$7.9 to 10 billion yuan.

Malaysia's economic position today is better than during the previous two oil crises. Structural reorganization since 1985 and 1986 enables Malaysia to deal better with the current crisis.

In addition, the softening of the United States dollar and the corresponding strengthening of Malaysian currency also help offset the danger of inflation of import prices.

Both the Prime Minister and the minister of Finance have pointed out that government will employ taxes and other methods to insure that consumers will not be harmed.

In October 1989, government realized that with rapid development, currency depreciations, and high inflation in the world, Malaysia would be affected by the inflation of import prices. The 1990 fiscal budget will devise means for maintaining a high level of growth, and lowering the degree of price increases.

Pertinent policies have already succeeded in controlling tremendous price increases and the retrenchment of personnel, and in maintaining public order so there is no effect from an inflation psychology.

1990 Money Supply and Consumer Price Increase Predictions (Percent)

	Thailand	Hong Kong	Indonesia	Singapore	South Korea	Malaysia	Taiwan	Philippine Islands
M3	+29.0	+12.7	+25.1	+23.9	+25.0	+6.0	+14.5	+22.0
Consumer Price Index								
1990	6.5	9.0	7.5	3.5	9.0	4.0	10.1	13.5
1989	5.4	10.1	6.3	2.4	5.7	2.8	10.1	10.6

### Germans To Increase Flights to Bangkok

BK2610074890 Bangkok *THE NATION* in English  
26 Oct 90 p B12

[Excerpts] Interflug airline has increased its Bangkok-Berlin flights to three direct ones per week for the winter schedule, because of the increasing volume of passengers and freight service on this route in recent months.

Under the newly reunified German government, the airline, once the national flag carrier of the Federal Republic of Germany, is now under the same government ownership as Lufthansa [as published].

Hans-Juergen Walter, Interflug's regional manager, said that by the middle of next year the government will make a final decision on the future of the previously East German airline, a decision affecting airport management, air traffic control and all aviation under current Interflug control. [passage omitted]

Under the new government, Interflug has already scrapped some non-profitmaking routes, such as in Africa, and now the airline flies to over 20 destinations worldwide, including Bangkok, Hanoi and Beijing. Having the right to fly to Eastern European countries is not as advantageous as it may seem, as people in the East mostly want to go to Western countries, and many Western airlines already have the right to fly to the Eastern countries, according to Walter.

Having a good flight service record, Interflug is using Airbus A-310s to fly the Bangkok-Berlin route, with 30-40 per cent of the seats serving Thai passengers at the moment. Overall, 80 per cent of Interflug's customers are German, he said. Freight is also an important money-maker for the airline, as Berlin has become the gateway to the Eastern European countries.

### 3rd Army Region Order of Battle on Lao Border

91SE0020B Bangkok *LAK THAI* in Thai 8-14 Oct 90  
p 7

[Column by "M.C. One Hotline"]

[Text] The 3rd Army Region is planning to form another infantry division. This army region presently has two divisions, the 4th Infantry Division and the 1st King's Guard Cavalry Division. The 3rd Development Division is a combat support division. The 4th Infantry Division is a very large unit. The 4th Infantry Regiment is composed of five battalions, which is the same as the 7th Infantry Regiment. As for the newly formed 17th Infantry Regiment, the regimental headquarters is located in Phayao Province. It is composed of four battalions. The 1st Infantry Division and artillery units are deployed in Phrae, Nan, and Uttaradit provinces. That is, cavalry and artillery units are deployed along the Lao border from Phetchabun to Nan. The strategy emphasizes the use of firepower. The 17th Infantry Regiment is composed of the 1st and 4th Battalions,

which are deployed in Phayao Province, the 2d Battalion, which is based in Lampang Province, and the 3rd Battalion, which is based in Chiang Rai Province. There are few infantry forces deployed in the eastern part of the northern region, and more forces must be deployed there. That is why a plan has been formulated to establish another infantry division. This infantry division will be responsible for the eastern area. The 4th Infantry Division will be responsible for the western area. The two units will be deployed along the Lao and Burmese borders. The division will be based in either Chiang Rai or Phayao.

### Minister Discusses Future Energy Plans

BK0511024590 Bangkok *THE NATION* in English  
5 Nov 90 p B1

[Text] PM's [Prime Minister] Office Minister Kon Thaparangsi said at the weekend that Thailand is gearing towards energy independence as plans are underway to develop more indigenous oil and gas reserves and enter into joint ventures for development in neighbouring countries.

Speaking at a seminar to publicize the Northeast's Nam Phong gas field in Khon Kaen, he said Nam Phong will significantly boost the nation's gas supply security.

The massive northeastern field will add to the Gulf of Thailand supplies, which are running at 650 million cubic feet per day, and 20,000 barrels of indigenous oil from Kamphaeng Phet's Sirikit field.

Apart from domestic sources, the government has unveiled plans to tap opportunities to develop petroleum sources in Burma and Indochina, as well as create a tran-Southeast Asian pipeline system for gas transmission, linking several neighbouring countries. Kon said these plans will also boost Thailand's relations with neighbouring countries.

As for the Nam Phong field, initial production will start by the year-end at the rate of 40-60 million cubic feet. Production will increase to about 250 million cubic feet in the following stages. The total reserve is expected to be one trillion cubic feet.

Kon told the seminar that the massive field will open investment opportunities in various fields, such as compressed natural gas for the transport sector, fertilizer and fuel octane booster, in addition to manufacturing activities, using gas as fuel.

### Officials, Unions React to Cigarette Issue

#### Excise Department Head Comments

91SE0021A Bangkok *SIAM RAT SAPDA WICHAN*  
in Thai 21-27 Oct 90 p 19

[Interview with Excise Department Director Wirot Lao-haphan; date and place not given]

[Text] [SIAM RAT SAPDA WICHAN] The United States may feel that prohibiting cigarette advertisements is a violation of its rights.

[Wirot Laohaphan] We have prohibited the advertisement of Thai cigarettes, too. Thus, we have not singled out anyone. We are treating everyone equally. It is the government's policy to prohibit the advertising of cigarettes.

It's not necessary to advertise cigarettes, because everyone knows the different brands. Those who are used to a particular brand will keep smoking that brand. I don't think that this will have any effect on the market in Thailand, because those who are used to a particular brand will keep buying that brand.

[SIAM RAT SAPDA WICHAN] Tobacco officials feel that income from the sale of Thai cigarettes will decline.

[Wirot Laohaphan] I think that sales to new smokers may decline. But people who have been smoking for a long time will continue to do so. I don't foresee much of a decline, because the markets cater to different people. There is a market for foreign cigarettes and a market for domestic cigarettes.

We must also consider the common interests of the nation. If we prohibit foreign cigarettes from entering the country, the United States may implement Article 301 to prohibit us from selling certain goods there, goods that can earn us more income than by keeping out their cigarettes. Or we can try to negotiate with them. There may be (cigarette) quotas stipulating how many cigarettes can be brought in each year. But there would be ways to get around that. Because if we set quotas, we would have to control things closely. There are many control methods. This is a major principle (Paragraph 9). My subordinate (the deputy director-general) has been sent to negotiate this.

[SIAM RAT SAPDA WICHAN] How will you suppress the smuggling of cigarettes? As the former director-general of the Customs Department, I am sure that you are well aware of the fact that there are influential people behind the cigarette smugglers.

[Wirot Laohaphan] Now that we are permitting cigarettes to be imported, I think that cigarette smuggling will cease. In the past, there was a complete ban on importing cigarettes. And so cigarettes were smuggled into the country, because there was a demand for them. I think that less than five percent of the cigarettes smuggled into the country were seized. That is what I think based on my experience. Cigarettes were smuggled into the country in a variety of ways. They were brought in both by individuals and in large shipments.

Thus, in allowing cigarettes to be imported, we must supervise things. There are many things we must do. For

example, we must determine where to allow the cigarettes to enter the country, how to affix the stamp, and how to supervise this. We have to consider these things carefully.

[SIAM RAT SAPDA WICHAN] The government will probably have to implement stricter measures against cigarette smuggling, because those who have been given the right to import cigarettes will certainly complain about this.

[Wirot Laohaphan] They will have to supervise things, too, just like imported liquor. They have to control things; otherwise, there will be smuggling. Their markets will be ruined. Thus, they, too, will have to supervise things. Take liquor, for example. There are frequently meetings between Thailand, Malaysia, Singapore, and Hong Kong. The agents in this region frequently meet to discuss business results and the reasons for these results. They have to supervise things themselves. We can require people to buy cigarettes directly from the mother company instead of from an agent. That is one thing that we can do to control smuggling.

Another control measure is requiring the printing of Thai letters on the cigarette packs. Without the Thai words, the cigarettes would be subject to seizure. In printing Thai words on the packs, we must approve where the words are to be printed and how they are to be printed. There must be a warning label on the dangers of smoking cigarettes. This message must be approved by us. We are the ones who will stipulate what label must be attached to warn people about the dangers of smoking cigarettes. If this is printed on each pack, how could these cigarettes be sold abroad? If they are imported and do not have such a label, they would be subject to seizure.

#### Other Officials Comment

90SE0021B Bangkok LAK THAI in Thai 15-21 Oct 90  
pp 33, 34

[Excerpts] For a long time, the Thai government maintained that it would not permit the import of foreign cigarettes at the insistence of super powers such as the United States that control the world cigarette market. But in the end, at its meeting on 9 October, the cabinet passed a resolution to have the Ministry of Commerce negotiate with GATT on allowing cigarettes to be imported into Thailand. This was done in response to the U.S. threat to implement Article 301, which would cut GSP rights for the 300 billion baht worth of Thai goods imported into the United States. [passage omitted]

After the cabinet passed this resolution, the Mr. Suthat Ngoenmun, the deputy minister of public health, confirmed that the ministry will do everything possible to restrict the distribution and consumption of foreign cigarettes in line with the policy of opposing smoking, which is thought to be harmful to people's health and the quality of life. He said that in the near future, the ministry will ask the cabinet to promulgate a tobacco

control law to control all forms of advertising and prohibit the sale of tobacco to youths, who are the main targets of the Ministry of Public Health. This law will contain specific penalties for violators. Besides this, the ministry will hold a meeting with private organizations on 17 October to discuss ways to prevent youths from becoming "addicted" to cigarettes before it is too late. The Ministry of Public Health has prepared a seven-paragraph article on controlling this. Besides prohibiting advertising and requiring cigarettes to carry a warning label and a label listing the contents, the article will prohibit cigarettes from being sold to youths below the age of 16. It will prohibit the sale of cigarettes using automated machines. An urgent issue is the proposal to establish a division-level Cigarette and Health Office. Quick action will be taken to promulgate a Cigarette Products and Consumption Control Act in order to protect the rights of non-smokers. Even though this is like solving a problem at the end rather than at the source, it is thought that this will have a good effect with respect to the people's health and lives in the future.

As for the Ministry of Finance, Mr. Wirot Laohaphan, the director-general of the Excise Department, which is directly responsible for controlling tobacco products, said that criteria, methods, and conditions have been stipulated. But we will have to wait and see what the results of the negotiations are between the Thai and U.S. delegations, which will hold talks during the period 16-18 October. The cigarettes that are imported will have to have an excise stamp beneath the cellophane wrapper. This stamp must be affixed within the kingdom. That is, each pack of foreign cigarettes will have to be unwrapped and stamped. As for importers, the Excise Department has stipulated that there is to be one only. Moreover, the customs tariff will be 30 percent in addition to the excise tax of 55 percent. The department will be the one who sets the sales price. It is thought that imports will total fewer than 60 million packs a year and that cigarette smuggling will decline. This should not affect the operations of the Thailand Tobacco Monopoly, because these are different markets. However, Mr. Wirot also said that that importer may allow the Tobacco Monopoly to take action in order to reduce the pressure. [passage omitted]

Lieutenant General Panya Khwanyu, the director of the Thailand Tobacco Monopoly, said that the Tobacco Monopoly should be the only one allowed to import cigarettes. An official proposal will be submitted to the Ministry of Finance in the near future. One reason for this is that the Monopoly is a state organization that has been granted the right to produce and sell cigarettes. It already has distribution methods and steps in place. Besides this, the Thailand Tobacco Monopoly can monitor what is put into foreign cigarettes. It is well known that the American cigarettes exported to Thailand contain more tar and nicotine than those sold in the United States. However, being the sole importer does not mean that the Monopoly will distribute the cigarettes in Thailand. Instead, this task will be turned over to existing agents.

The director of the Thailand Tobacco Monopoly also said that another problem is that permitting cigarettes to be imported is unlikely to reduce the smuggling of cigarettes. This is because the average production cost of a pack of foreign cigarettes is 30 baht. Adding in marketing costs, a pack of foreign cigarettes will cost about 60 baht, which is very high for consumers, who used to purchase smuggled cigarettes for about 30 baht a pack. Also, some people have said that foreign cigarettes will take only 10 percent of the cigarette market here. But that is not true. Foreign cigarettes will seize a much greater share of the market. When Japan and Taiwan allowed foreign cigarettes to be imported, these cigarettes seized 25 percent of the market. The Thailand Tobacco Monopoly expects revenues to decline by about 2.7 billion baht. It will try not to raise the price of domestic cigarettes until the end of fiscal year 1991 in an effort to please customers. [passage omitted]

#### Further Discussion

91SE0021C Bangkok KHAO PHISET  
in Thai 22-28 Oct 90 pp 28, 29

[Excerpts] [passage omitted] Dr. Surin Phitsuwan, a Democrat Party MP from Nakhon Sithammarat Province and a person who played a role in opposing the import of foreign cigarettes, told KHAO PHISET that American cigarette companies have used political influence to pressure the U.S. Government to implement measures to put pressure on various countries such as South Korea, Japan, and Taiwan. They want the government to use Article 301 against trade competitors. Every country is so afraid of this article that they have authorized the import of American cigarettes. Today, only Thailand still refuses to allow American cigarettes to be imported. But U.S. Trade Representatives have raised this issue with GATT, and President Bush bowed to the pressure of the tobacco merchants because these businessmen made large campaign contributions to the Republican Party.

It's not just officials of the Office of the U.S. Trade Representative (USTR) who have become slaves of the cigarette companies. Even Mr. Dan Quail, the vice president of the United States, has become an agent of these companies. He announced that the United States is facing an economic crisis, and, therefore, the problem should be solved by supporting the export of cigarettes, said an official of the Ministry of Public Health, which opposes smoking, who asked that his name not be revealed. [passage omitted]

Sales strategies include giving bonuses to buyers and inducing people through cultural entertainments. For example, people can exchange empty cigarette packs for concert tickets or for books that have the cigarette brand name stamped on the cover. Thus, the Thai government should make a greater effort to control advertising.

#### Smuggled Cigarettes and Legal Cigarettes

Mr. Wirot Laohaphan, the director-general of the Excise Department, expects that once the import of foreign

cigarettes has been legalized, the smuggling of cigarettes will decline. But a fact that must be considered is that legal cigarettes will be subject to a 55 percent excise tax in addition to the 30 percent customs tariff. As a result of these two taxes, the price of a pack of legal cigarettes will be much higher than the price of a pack of smuggled cigarettes. The price of smuggled cigarettes is about 30 baht a pack (depending on the brand). But the price of a pack of cigarettes on which the taxes have been paid will be about 37 baht. As a result of this difference in price, smugglers will undoubtedly continue to take the risks involved in the hope of becoming rich.

The owner of a small store that sells smuggled cigarettes told KHAO PHISSET that he is waiting to see what percentage he will get from the state for selling legal cigarettes. In the past, his profit from selling smuggled cigarettes has been 4 baht per pack. From selling legal cigarettes, he thinks that he will earn only 40 satang [1 satang equals 0.01 baht] per pack. If he can earn only a small percentage, he plans to continue selling smuggled cigarettes. The good point is that it will probably be easier to sell the smuggled cigarettes by selling them in conjunction with selling legal cigarettes.

"In the past, all the foreign cigarettes sold here were considered to be contraband. But now that some cigarettes will be legal, it will be difficult to differentiate between them. Anyone can fake the stamps on the cigarette packs. This is like the smuggled liquor sold here," said a labor union leader at a cigarette plant. [passage omitted]

### Prime Minister's Private Secretary Profiled

91SE0029A Bangkok LAK THAI in Thai 17-23 Sep 90  
pp 13, 14

[Excerpts] [passage omitted] In talking about those who are very close to General Chatchai Chunhawan, the list would not be complete if we stopped with those mentioned above. Because in fact, there is another person who is very close to Gen. Chatchai, and he is one of the few people who is free to visit the Chunhawan house at any time. [passage omitted] We are referring to Phithak Intharawithayan, the personal adviser, or personal secretary, of Gen. Chatchai Chunhawan. He is much closer to Gen. Chatchai than many imagine.

Besides serving as an adviser on a wide range of matters, which is different from the Ban Phitsanulok advisers, who serve as advisers on policy matters, Phithak is concerned with and gives advice to the prime minister on personal matters.

It's said that if the Ban Phitsanulok policy advisers play an important and influential role with respect to political, economic, and social policy, Phithak Intharawithayan plays an equally if not more important role with respect to some issues.

Phithak is a businessman who has been quite successful in life. But because he is a modest person, is he not very

well known in political circles. He joined the Thai Nation Party as a supporter and was later appointed to the party's executive committee. He came to know and grew close to Gen. Chatchai, who was then the secretary general of the Thai Nation Party.

After Gen. Chatchai was appointed minister of industry and deputy prime minister, Phithak automatically became an adviser to Gen. Chatchai. The two grew even closer after Phithak started preparing almost everything for Gen. Chatchai, including both personal and political matters. This is true even when it comes to relaxation. For example, he often plays golf with Gen. Chatchai.

After Gen. Chatchai became the leader of the Thai Nation Party and became prime minister after General Prem Tinsulanon declined to serve another term as prime minister (he is now serving as a privy councilor and elder statesman), Phithak was appointed [personal] adviser to the prime minister, which is different from the position of adviser to the prime minister, which is a political civil service position, and from the position of policy adviser to the prime minister, which is a special advisory position. That is, he is a personal adviser to the prime minister.

Because of their close relationship, Gen. Chatchai decided to recommend Phithak for a seat in the Senate. Besides accompanying the prime minister on trips, writing the book "People," and supporting the program "Thursday Travels," which is shown on Television Channel 9 of the Mass Communications Organization of Thailand, he also serves as an important coordinator between various political power groups that play an important role in governmental affairs.

A news source of ours in the Thai Nation Party said that Phithak Intharawithayan has played a great role with respect to the political changes that have occurred both in and outside the government. But his role has not been disclosed. In particular, he has been the "glue" binding Ban Phitsanulok, Det Bun-long, and the Thai Nation Party. But no one has dared confirm if he is also the "glue" binding Gen. Chatchai and the military. But it is known that he has relations with senior military and police officers from CRMA [Chulachomklao Royal Military Academy] Class 5.

"Many people think that Phithak has played a role in promoting closer relations between the government, that is, Gen. Chatchai, and the military on various critical issues. This is because, whenever a problem arises, besides discussing the matter with his son, Professor Kraisak Chunhawan, Gen. Chatchai will almost always discuss the matter with Phithak," said the same news source in the Thai Nation Party to LAK THAI.

A news source in the Government House said that viewed superficially, Phithak's role is like that of a businessman who gives advice on economic matters only. But actually, he is quite knowledgeable about many matters. He can do everything on behalf of the prime

minister. In particular, in formulating plans and stipulating things concerning the duties of the prime minister, he plays just as important a role as that of the Ban Phitsanulok policy advisers.

Thus, Phithak Intharawithayanon, who is very close to the prime minister, holds a very important position when compared with others. Even though his role is not very clear, he is an important supporter and has considerable influence with the prime minister.

Ever since Gen. Chatchai became prime minister in August 1988, Phithak has played a rather "secret" role. It's worth keeping an eye on him, particularly during those times when he is not with the prime minister. Because that is an indication that he is again playing a "secret" role for the prime minister. [passage omitted]

#### **Weekly Comments on Military Intervention**

91SE0020C Bangkok SIAM RAT SAPDA WICHAN  
in Thai 14-20 Oct 90 p 3

[Excerpt] [passage omitted] As for the people calling on the military to solve the country's problems, as disclosed by the RTA CINC [Royal Thai Army Commander-in-Chief and RTAF CINC [Royal Thai Air Force Commander-in-Chief], considering things carefully, it can be seen that this stems from a lack of confidence in the sincerity or honesty of today's politicians. The government has not been able to solve these problems. Thus, people have turned to the military. But today's soldiers favor democracy and so they have refused to use force. That is, they have weighed things carefully and feel that the losses would be greater than the gains. For example, the country's economy, which is now growing, might come to a standstill.

For these reasons, we feel that it is the duty of the government or the prime minister to take action to solve the problems affecting the people so that they will feel that the government and the military are holding fast to democracy and working to perfect our democratic system.

#### **Bank Chief Profiled, Selection Process Viewed**

91SE0020A Bangkok KHAO PHISSET in Thai  
24-30 Sep 90 pp 40, 41

[Excerpt] As expected, on 18 September 1990, the cabinet approved the appointment of Mr. Wichit Suphinit, the deputy governor of the Bank of Thailand, to the position of bank governor. A news report stated that the Phitsanulok advisory team had formulated a plan about this a long time ago. This plan called for removing Mr. Pramuan Saphawasu as finance minister and appointing him deputy prime minister and then appointing Dr. Wiraphong Ramangkun, minister of finance.

The plan formulated by the Ban Phitsanulok team called for promoting Dr. Phaichit Ua-thawikun, the former deputy minister of finance and then chairman of the Thai Development Research Institute (TDRI), who was

an "enemy" of Mr. Pramuan as a result of the decision to increase loan interest rates, to the position of governor of the Bank of Thailand. They thought that he could use that position to oppose Mr. Pramuan, whom they felt was taking the wrong steps to solve the inflation problem, which was important factor in the decision to remove Mr. Pramuan from his position as minister of finance.

But the situation changed when Dr. Wiraphong was appointed minister of finance in place of Mr. Pramuan. The Ban Phitsanulok advisors reconsidered who should be appointed governor of the Bank of Thailand following Mr. Chawalit Thanachanan in an effort to find someone compatible with the new minister of finance. Thus, the Ban Phitsanulok advisors began focusing their attention on Mr. Wichit Suphinit, the deputy governor.

#### **Why Wichit?**

In the view of outsiders, Wichit Suphinit, the deputy governor of the Bank of Thailand, who will soon become the top official in the bank, is a "low profile" person. That is, he has not been in the public eye as much as Mr. Roengchai Marakanon, an assistant governor, Mr. Ekkamon Khiriwat, an assistant governor, or Dr. Siri Kancharoendi, the head of the Department of Economic Research. As a result, few people know much about him. But many people have confirmed that Mr. Wichit is very knowledgeable about financial and monetary affairs. Also, he once served abroad as an official with the International Monetary Fund.

A news source from the Bank of Thailand said that it is Mr. Wichit who has provided Ban Phitsanulok with economic data. As a result, Mr. Wichit has close relations with Ban Phitsanulok, the power center of the state today, and that is the factor that determined who would become governor.

The other candidates had various weaknesses. This included Dr. Phaichit Ua-thawikun, who had been considered the most likely candidate prior to the appointment of Mr. Wichit. But when Dr. Wiraphong was appointed minister of finance, Ban Phitsanulok was concerned that he would not be able to work effectively, because he had once been the superior of Dr. Wiraphong during the administration of General Prem Tinsulanon. At that time, Dr. Phaichit was the deputy minister of finance, and Dr. Wiraphong was just an advisor. Thus, if Dr. Phaichit was appointed bank governor, many people were afraid that his directness and self-confidence would pose a threat to Dr. Wiraphong. They feared that Dr. Wiraphong would not be able to stand on his own feet in administering things.

"Dr. Phaichit cannot withstand the criticism of others. If someone criticizes him, he might not be able to withstand the criticism and might resign just as he did before. He resigned his position as deputy minister of finance after people criticized him concerning the devaluation of the baht," said a news source.

A candidate from the Ministry of Finance was Dr. Phanat Simasathian, the under secretary of finance and a close associate of Mr. Pramuan. But he has only two years left before he retires, and so if he had been appointed governor of the Bank of Thailand, there would have been a lack of continuity at the bank.

Another candidate was Mr. Banthit Bunyapana, the director-general of the Revenue Department. Whenever there are reports about the appointment of a new governor, Mr. Banthit's name always appears on the list of candidates. That is because he has served in several departments. For example, he has served as the director-general of the Excise Department and the Treasury Department, the director of the Fiscal Policy Office, and director-general of the Comptroller-General's Department.

A news source in the Ministry of Finance said that the reason why Mr. Banthit was not appointed minister of finance is that he is the brother of Phong Sarasin, a Social Action Party MP and former deputy prime minister. He has a different surname from Mr. Phong, because Mr. Phong Sarasin, the father of Mr. Phong, gave Mr. Banthit to his sister to raise as her son.

Another brother of Mr. Banthit is Police General Phao Sarasin, the vice chairman of the Thai Farmers' Bank. Thus, it would not be fitting for the governor of the Bank of Thailand, who controls economic affairs, to have a brother who is a politician and another brother who is a banker. Because as governor, he would have to supervise them and monitor their activities.

In short, one of the reasons why Mr. Wichit will become bank governor after 30 September is that the other candidates, although capable people, are not fully suitable for this position. As for Dr. Wiraphong, he has no objection to the appointment of Mr. Wichit, because they have known each other ever since Mr. Wichit served at the Government House during the Prem administration.

Besides this, this was like killing two birds with one stone. This is because Dr. Wiraphong will receive greater support from national bank officials. In the past, the minister of finance usually appointed someone from the ministry to serve as bank governor in order to help coordinate the policies of the Bank of Thailand and the ministry. This will help "smooth" things over at the national bank. Because up to now, only two previous

bank governors have come from within the ranks of the Bank of Thailand, those two being Mr. Phisut Nimmanmin and Mr. Chawalit Thanachanan. The appointment of Mr. Wichit, who comes from within the ranks of the national bank, will do much to improve the morale of bank officials.

Dr. Wiraphong is still new to managing the affairs of the Ministry of Finance. If someone from outside the Bank of Thailand, such as Dr. Phaichit, Dr. Phanat, or Mr. Banthit, had been appointed bank governor, the Ministry of Finance, which must deal with the oil and inflation crises, would have had to deal with additional problems, because the governor of the national bank and the minister of finance are both new to their jobs. The appointment of Mr. Wichit has the support of bankers, who feel that he is a "professional" who has always dealt with financial institutions fairly and who has not become tied to political interests. But some political analysts feel that this is another instance of interference by Ban Phitsanulok in the affairs of the Ministry of Finance.

Looking back to when Mr. Kamchon Sathirakun was fired as bank governor on 6 March 1990 and replaced by Mr. Chawalit Thanachanan, the then deputy governor, people in financial and monetary circles felt that Mr. Chawalit had been appointed just in order to "face the enemy," because he had only six months left before retirement.

Following that, the number of deputy governor slots was increased from one to two, and Mr. Wichit and Mr. Phaisan Kumanwisai were appointed deputy governors. It was felt that that paved the way for Mr. Wichit to become governor of the Bank of Thailand. Mr. Phaisan, the other deputy governor, will retire at the same time as Mr. Chawalit.

One person who is very disappointed is Mr. Roengchai Marakanon, the assistant governor, who was not appointed to a higher position even though he was the equal of Mr. Wichit in terms of seniority. The only difference is that Mr. Wichit was one of the first to receive a bank scholarship. Mr. Roengchai was in the second group to receive such a scholarship. And looking at the age of both men, Mr. Wichit is 49 years old while Mr. Roengchai is 48 years old. That means that if Mr. Wichit remains bank governor until he reaches retirement age, that is, for 11 years, Mr. Roengchai would be able to serve in that position for only one year. [passage omitted]

## POLITICAL

### Commentary on Renovation, Stability

912E0014A Ho Chi Minh City SAIGON GIAI PHONG  
in Vietnamese 11 Sep 90 p 3

[Article by Tuan Minh: "Stabilize In Order To Renovate; Renovate In Order To Stabilize"]

[Text] Renovation is an essential requirement of revolutionary development. It can be said that without renovation, there can be no progress or development. In particular, at a time when we must overcome the effects of bureaucratic centralism and subjective voluntarism, the need to renovate is even more urgent. But regardless of how renovation is carried on and regardless of what measures are used, things must be weighed and considered carefully. If things are done in an arbitrary and impatient manner, there will be serious negative effects.

There are many people who want to renovate in line with the trend. Because others are renovating, they want to renovate. They are willing to renovate regardless of the price and are ready to abandon the old without knowing if the old is good or bad. The think that doing things that way will achieve the results desired.

Renovation must be revolutionary in nature, but it must not be a new revolution. And the revolution does not have to be carried out all over again to topple the ruling class and establish a new revolutionary regime. Thus, renovation is not a movement to overthrow the old order in order to build a new order.

Renovation must be a process of perfecting the revolutionary order already established. The purpose of renovation is not to do away with the fruits of the revolution but to protect, maintain, and exploit the fruits already won. Renovation does not seek to replace the superstructure already built but to perfect this superstructure.

This is a process of eliminating backward elements and outdated methods in order to build a new economy and society, build the new man, manifest the ownership role of the laborers by respecting the basic human rights of citizens, and build a dynamic economy to serve the lives of the people better and better. This is also aimed at building an economic-political-social model that is in accord with Vietnam's traditions and the development of human society in the new age. The society that we are building is a socialist society free of oppression and injustice in which people are free and can grow in all respects. This is a higher society than capitalist society. It has inherited the achievements of its predecessor, but at the same time, it can overcome the conflicts that the old society could not overcome. Thus, renovation in Vietnam is not aimed at copying or restoring the capitalist system.

The dream of our people is to have peace and stability so that they can use their talents and energies to build the country and improve the standard of living of each

person and the entire nation. Everyone understands the simple truth that there can be no construction at a time of political instability and social turmoil.

What can be done to develop the country when society is filled with people who, in the name of democracy and freedom, establish various parties and factions, incite and corrupt naive people in order to assemble forces in an effort to seize power, encourage separate ideas, and foster confusion so that people don't know to whom to listen or follow and don't know what to do?

A society can survive and develop only if there is order and discipline. Some people regard it as new and revolutionary when people can say and do whatever they want, when no one obeys the orders or directives issued, and when extremists, anarchists, and hoodlums can do whatever they want. There are even people who fight among themselves based on the law of the jungle using swords, knives, and guns.

At a time when the country is experiencing difficulties, production is weak, prices are rising, inflation is skyrocketing, and the shops are empty, some people regard holding demonstrations and going on strike as a way to improve their lives. They don't realize that that will destroy their lives.

To date, looking at the renovation that has taken place in a number of countries is enough to provide good negative examples. Who has gained and who has lost in that turmoil? Have the workers, peasants, students, and intellectuals gained anything for their material and spiritual lives, or has that just increased the number of unemployed and made the situation even worse with respect to commodity shortages and banditry? How can people say that it is good or normal when loyal communists, who took the lead in liberating the nation and freeing the classes, lose their freedom and their legitimate civil rights and are hunted down like criminals. This is appalling. This is something that no longer happens even in capitalist countries.

Of course, there are people who have profited from the loss of stability. For opportunists, this is a chance "to fish in muddy waters." For the reactionaries both here and abroad who oppose socialism, this is a rare golden opportunity. They would be stupid not to throw themselves into this by spreading propaganda, using financial and economic means, and applying political and economic pressure in an effort to heighten the political turmoil and bring things to a crisis and topple the socialist system, for which the masses have suffered and died.

Renovation can be good only when revolutionary measures are used to perfect things. But renovation will be a disaster if it leads to turmoil and instability. If renovation just leads to losses, what will be left to renovate?

The experiences of our forefathers show that "only if there is food can morals be preserved." Our renovation can continue to achieve results only if we concentrate

our efforts on renovating the economy so that each person "has enough to eat" in order to carry out the other renovation tasks. We must renovate and renovate resolutely. We must renovate in all respects, but we must remain vigilant and choose the path that will bring real results. Political stability is a necessary condition for renovating, particularly in a situation in which reactionary forces are trying to create political and social turmoil in order to destroy our legitimate renovation movement. On the other hand, we must not hesitate or waver in renovation. It must never be thought that stepping up renovation will cause political instability. It cannot be said that promoting the democratization process, promoting open criticism and self-criticism, and resolutely opposing corruption and special rights and privileges—which are things about which the party has promulgated resolutions—will divide the party and revolutionary regime and lead to political instability. The poisonous weeds and harmful insects must be eliminated so that the garden can flourish. Those are tasks that are fully in accord with the ideas of the party and the wishes of the people. That will strengthen national solidarity for renovation. Renovation is a process of resistance and construction, resisting in order to build and building in order to resist. Coordinating these two things will manifest renovation management skills. Extremism, impatience, anarchy, and conservatism are all obstacles to renovation. Everything requires strong political skills and profound and creative political thinking. This is measured by the results of renovation, that is, by advancing socialism, achieving greater democracy, and constantly improving the material and spiritual lives of the people.

## MILITARY

### Spratly Islands Troops Training With Existing Weapons

912E0017D Hanoi QUAN DOI NHAN DAN  
in Vietnamese 14 Sep 90 p 1

[Article by Nguyen Duc Son]

[Text] Right from the first of the year, when they received the directives and training contents of higher echelons, the cadres and commanders on Da Thi and Da Nam islands issued daily, hourly, and weekly plans in accord with the combat requirements of each unit. Overcoming the shortages of training materials, with great resolve, the islands have made use of things that can be used as targets and practiced firing in accord with the combat requirements. During training, with the motto of "each person training and making skillful use of the existing weapons and equipment," to date Da Thi and Da Nam islands have trained and practiced firing with live ammunition. All of the troops have fulfilled the requirements, and 78.3 percent have achieved a mark of good or excellent.

As compared with the above islands, training conditions on Song Tu Tay Island are better. Because of this, in

addition to the main training contents, the units have regularly organized drills for the troops to practice attacking the enemy on islands, in the air, and at sea based on the firing plans and in accord with the strategic staff work in the new situation. Inspections have shown that 83 percent have scored a mark of good or excellent.

Besides the training and combat tasks, Song Tu Tay Island has resolutely protected the technical equipment and weapons. The island has regularly inspected the weapons situation, and things have been promptly adjusted for each firing position. The situation has been reported to the mainland in order to quickly solve the problems related to training and combat on the island.

### Combat Readiness Improves After Training

912E0009A Hanoi QUAN DOI NHAN DAN  
in Vietnamese 5 Aug 90 p 1

[Article by Nguyen Duc Son: "Navy—Phase One Training Targets Achieved, Combat Readiness of Forces Improved"]

[Text] Overcoming all difficulties and the shortages related to the material base of training, units of the Navy have so far basically fulfilled the goals set for phase one of their training, with the combat readiness of the forces being further improved. The Navy strictly and uniformly applied the training method based on rotation for both training time and goals to conform to the needs of its forces for combat and combat readiness. In such a method, with the alerts that required moving the readiness for combat to a higher level, the ship, island, and amphibious forces which took part in the combined CQ90 and CV90 training phase obtained good results and overfulfilled the goals and needs set for them. Before starting the K1 and K2 training phase, regions 1, 3, and 4 provided thousands of cadres at all levels, from squad, sector, fleet, and company to higher levels, with training in staff and tactical command goals designed for different sea areas. Afterwards, the units organized quick, neat, and effective specialized training in ship technology, general subjects, and combat deployment charts, which all were carried out in accordance with plans at different levels. In the training in specialized information, radar, navigation, signal, and machinery and electricity, Brigades 161 and 162 (region 3) fulfilled 100 percent of the needs, with 75.5 percent getting good scores. Region 3 particularly got very good scores in lesson T3 on shooting with live shells from its ships 331 and 335. In lessons 4 and 4a on shooting with live shells, ships 312 and 315 got good scores in 100 percent of the drills. The region organized nearly 200 training ship activities and completed 10,039 nautical miles of safe cruises. Brigades 170 and 172 (region 1) carefully organized training, which was better than that of last year; in training, it boldly pointed to the weaknesses of every ship and every individual, and consequently obtained good results from it.

Some region 4 units, Groups 126, 147, T61, and others, actively carried out training in accordance with the motto, "Let every individual, every position, every force skillfully use various kinds of weapons and means of combat available." As a result, the training goals have been attained to a relatively high degree, with the level of combat readiness and combat of the forces being much improved as a contribution to steadily maintaining sovereignty over our waters.

### **Quyet Thang Corps in Phase II of Training**

912E0017A Hanoi QUAN DOI NHAN DAN  
in Vietnamese 7 Sep 90 p 1

[Article by Nguyen Tien Dung]

[Text] The commander and organizations of the Quyet Thang Corps [binh doan] recently conducted an all-round inspection of the Song Lo Regiment, which is subordinate to the Chien Thang Division, and the Thu Do Regiment, which is subordinate to the Quan Tien Phong Division. These are two regiments that the corps concentrated on building in 1990.

The two regiments have resolutely carried out the corps commander's order to train and prepare for combat, fulfilled the plans regarding changing the combat readiness situation, and maintained the combat alert system. Through alerts on changes in the combat readiness situation at all of the combat alert detachments, the cadres and soldiers have resolutely implemented the orders, assembled on time, and maintained the motor-cycles and means to ensure good combat operations. The Phase II training has been carried out in accord with the plan. The units have actively held cadre training classes. The Song Lo and Thu Do regiments have held 12 classes for 270 cadres for squad leaders and commanders at higher levels. They have built and consolidated six drill grounds for company-level tactical exercises, installed 330 targets of various types and 1,562 camouflaged traps, and made 2,173 grenades [luu dan] and 1,425 hand grenades [thu phao], 161 demolition explosive cylinders, 98 minedetectors, and many other training instruments in order to ensure good quality.

The commander and inspection team found a number of shortcomings at these two units. The squad and platoon cadres have not done a good job in maintaining the number of troops and maintaining the equipment. In training, the basic movements of the troops are weak, and the cadres have not received basic or unified training in a number of subjects. As a result, the training of the soldiers is still confused, and because of this, the exercises have had to be curtailed in order to continue cadre training. Vehicles, weapons, and other equipment have been allowed to deteriorate. In some places, the troops sometimes don't eat regularly.

In order to overcome the above shortcomings, the inspection team instructed the units to concentrate on gaining a deeper understanding of the tasks of our army today, increasing their combat strength, and improving combat training. Each regiment must build a detachment that can serve as a model in carrying out the combat readiness tasks, organizing regular training, overcoming the weaknesses, and perfecting and unifying things that can gain experience for the other detachments before the start of the February training and successfully complete all the tasks. In order to improve the quality of the combat readiness training, the units must adhere to and implement the daily and weekly work system, use and protect the vehicles, weapons, and technical equipment, actively work to increase production, maintain and stabilize the standard of living of the troops, promote cultural and recreational activities, and concentrate on building the units based on the five requirements put forth by the ministry for building strong regiments.

### **Military Region 9 Enacts Corruption Directive**

912E0017E Hanoi QUAN DOI NHAN DAN  
in Vietnamese 17 Sep 90 p 1

[Article by Nguyen Trang Tran]

[Text] In response to the the anti-corruption policy of the chairman of the Council of Ministers, the Military Region 9 Command recently issued Directive 42/CT on opposing corruption in the military region armed forces.

Based on the reality of the military region armed forces, the directive stated that everyone must oppose corruption. In this, efforts must be concentrated on a number of key points: opposing the use of a person's position; opposing actions that lower the standards of the soldiers and lower echelons; opposing the use of national defense means and materials for personal reasons; opposing arbitrariness or the intentional violation of military and state stipulations such as distributing land, houses, and other property without authorization, renting out vehicle license plates, and making a living illegally; opposing the arbitrary formulation of measures and standards outside the stipulations of the Ministry of National Defense and military region; resolutely and promptly prosecuting those engaged in corruption; and opposing the concealment of crimes.

In order to hit these targets, the military region has put forth measures. In this, attention is being given to educating the cadres and soldiers so that they fully understand the Council of Ministers' decision on opposing corruption and Military Region Directive 42/CT. Each unit must review itself and formulate a plan to oppose corruption and passivity and put an end to disciplinary infractions and criminal violations.

### **Military Cooperates With Security, Defense Forces**

912E0017C Hanoi QUAN DOI NHAN DAN  
in Vietnamese 14 Sep 90 p 1

[Article by Phan Thanh Vieng]

[Text] Implementing Council of Ministers Directive 135 and the order of the military region commander, during the first six months of 1990, the provincial, municipal, and special zone armed forces in Military Region 7 coordinated things closely with the public security and border defense forces and people to eliminate crime and maintain political security and social order.

Tay Ninh, Dong Nai, and Song Be provinces organized campaigns to purify the localities. Tens of thousands of cadres and soldiers participated in this. Son Be Province arrested 1,152 suspects, confiscated 16 tons of latex, 20 guns, and many explosive devices, and collected hundreds of millions of dong for the state (150 million dong was collected in Binh Long District alone). Thu Dau Mot City returned assets valued at 20 million dong to the people. The armed forces in Tay Ninh helped the public security forces detain and educate 337 targets (of whom 308 had committed criminal violations). Dong Nai discovered and prosecuted 567/1,286 cases, arrested 834 targets, broke up nine gangs of robbers, confiscated 28 guns and other implements used in committing crimes, and assembled 165 targets, including prostitutes, drug addicts, hoodlums. The coastal self-defense forces and fishermen in the Vung Tau-Con Dao Special Zone captured 946 people who were trying to flee abroad. Provinces bordering Cambodia, such as Tay Ninh, Song Be, and Long An, coordinated things with the functional organizations to maintain security along the border and maintain friendly relations between our two countries. Ho Chi Minh City organized exercises to defend the targets. Binh Chang District conducted exercises with the public security forces to prevent disturbances.

### **Military Coordinates Economic Task, National Defense**

912E0017F Hanoi QUAN DOI NHAN DAN  
in Vietnamese 18 Sep 90 p 3

[Article by Le Hoe]

[Text] The "become prosperous, gain victory" movement of Military Region 3 has faced tests and challenges for almost 10 years now. The movement's main test is that of applying the various forms of participating in economic construction. That refers to participating in building the economic projects of the central echelon and of the localities, coordinating the economic projects with national defense, and building the unit and family economies. These five forms are closely related to each other. They have fostered activeness and independence and the labor capabilities and creativity of the masses together with a rational division of labor for each type of

force based on the form. The most inspiring achievements are those achieved in participating in building the Pha Lai thermoelectric plant and a number of industrial, communications, posts, and cultural projects of the central echelon and tens of water conservancy projects to support agriculture in the localities. Dikes have been built to encroach on the sea and expand the land and farming area, crops have been planted to block the sea, and temporary roads have been built in coordination with building defense zones. Although there have been problems and hardships that have had to be overcome, the movement has gradually been solidified by the practical results. The regular units of the military region have made full use of the labor capabilities, arable land, and time to produce material assets and contributed to meeting the standards concerning food, clothing, and housing and to stabilizing and improving the lives of the cadres and soldiers. In some years, these units have harvested tens of thousands of tons of grain, 600 tons of meat, hundreds of tons of legumes, peanuts, and sesame, hundreds of tons of sugar, several hundred tons of salt, and 6-7,000 tons of vegetables. The combat-alert militia in the coastal villages have organized combat alert well, fulfilled the military tasks satisfactorily, and made full use of the arable land and production sectors to support themselves. Some units have even produced a surplus of food. Along with engaging in productive labor and participating in economic construction, the military region has scored many notable achievements in training, conducting exercises, holding debates, being combat ready, and reinforcing the troops at the front. Construction has been carried on based on the requirement of having strong departments and key points, not allowing the bases to become weak, and ensuring that each place and each echelon can take care of itself and help each other when necessary.

In reality, the production and economic construction activities of the military region's armed forces, particularly those of the military and self-defense forces, have become involved in the production activities of agricultural and industrial bases and various sectors. The militia and self-defense forces have been used as the assault and activist forces not only in maintaining political security and social order but also in carrying on productive labor, preventing natural disasters, and expanding the economy in the localities and at the bases. The provinces and cities in the military region have created rear service materials on the spot so that, together with the very limited funds allotted to them, they will have materials to carry out the local military tasks in peacetime and have reserves to increase the national defense potential, provide materials for military recruitment and the training of the militia and self-defense forces, build reserve forces, and reinforce other units and neighboring military regions in dealing with natural disasters and enemy threats. The provinces and cities have coordinated things with the main-force rear service of the ministry in order to provide food and housing, transportation, and medical services for more than 600,000 reserve troops assembled for training and

inspection of their combat readiness. During the recruitment campaigns, the recruits have been provided with adequate food, given physical examinations, and taken to their units at the front.

From the results achieved, the local armed forces, particularly the local military cadres, have constantly given attention to the economic problems in their locality. They have given attention to developing the economy in order to have a basis for ensuring national defense. They have coordinated national defense with the economy and served as the staff for the party committee echelons and local authorities, ready to participate in the economic activities of the locality. The provincial, municipal, district, ward, and primary level party committees and authorities regard the local armed forces not only as the capable tool of the dictatorship of the proletariat in the locality but also as an effective and trustworthy element in productive labor. The forces and capabilities of the localities have been mobilized and organized in order to develop the economy, build the localities, and create the material base necessary for carrying out the military tasks and implementing the military rear policies. The provinces and cities in the military region have built 53 friendship houses and used several hundred dong of local funds to help the families of disabled soldiers and war dead and reward soldiers. All of this shows that the economy and national defense are becoming tied to each other more and more closely. This will enable the economy and national defense to rely on each other based on the nation's spirit of independence and self-reliance, which has become a tradition of the army and people in the military region. With a thorough understanding of the two strategic tasks of the party and people, based on its position and tasks, the military region has put forth the "become prosperous, gain victory" policy in order to ensure a comfortable life for the people, increase accumulation and contributions, ensure that there is enough paddy and that there are enough troops, ensure that the armed forces are of high quality in all respects, and do a good job in reinforcing the front, being prepared for combat, and fighting to defend the locality and the country in any situation. The realities of the past period have affirmed the effectiveness and correctness of the above policy. But the new requirements stemming from the new situation and revolution and the renovation movement of the country and army require that people have a concept of self-reliance. They must be independent, dynamic, and creative in order to advance the productive labor and economic construction movement of the military region's armed forces.

#### **Responsibilities of Soldiers Discussed**

912E0009B Hanoi QUAN DOI NHAN DAN  
in Vietnamese 23 Aug 90 p 2

[Article by Hoang Kinh: "Responsibilities of Soldiers in the Face of the Country's Difficulties"]

[Text] The renovation suggested by our party as its initiative at the 6th Party Congress has been touching

our daily lives, has been being enthusiastically accepted by people of all social strata, and has truly created a new moving force that steadily drives forward the socialist construction in our country.

Certainly nobody has failed to recognize, whether he wished to do so or not, that the renovating effort in our country has scored important and encouraging achievements in all aspects of the social life, which would create favorable conditions for subsequent development. Although this was only the beginning, the lively realities which each day change the socioeconomic face of the past years have proved this fact: The line on renovation, the steps, and the solutions that our party has selected to make the country overcome its difficulties and escape the current crisis are totally correct. The party is regaining the confidence of the people from all walks of life.

The renovation in our country, like the reforms in the East European countries, really is a total revolution, which is no less fierce and decisive. To remove the old model along with its bureaucratic, stagnant, and backward mechanism and state subsidies, its oddities, and its shortcomings, and to replace it with a new unprecedented socioeconomic model cannot be a simple, smooth, and quick job to do in accordance with subjective wishes. Besides the achievements that have been made, we are in the process of grouping and moving forward and therefore cannot avoid showing our shortcomings, including the mistakes and failures that have been made as we adopted a number of positions and policies and directed their implementation at different levels and in different sectors. In addition to the old problems that created lots of new difficulties and complications, the "unacceptable" things, which include unstable prices, irrational systems and policies, late payment of monthly wages, difficulties faced by families in the rear area, unavailable benefits, land disputes and fights, failure of credit funds to make payments, and so on, have really touched and affected the normal life of every family, and have adversely acted on the thinking and feelings of each and every soldier. This truth is also being fully exploited by the enemy as a "golden" opportunity to strike us more fiercely.

In this situation, each and every one of us soldiers must think correctly and have the right attitude to deserve the qualities of soldiers of the people's army. In addition to the main function of doing combat and staying ready for combat to thwart every enemy aggressive plot, to strongly defend the socialist fatherland, and to detect the enemy's plots and new tricks, we also are responsible for preventing and being ready to thwart any sabotage plot inside the country that may be carried out by the reactionary forces, dissidents, and opportunists hiding behind the "freedom," "democracy," and "protection of the people's interests" screen. They take advantage of a number of the party's openness policies; a number of mistakes, shortcomings, difficulties, and shortages; and the passive attitude and dissatisfaction of a number of cadres and people to gather their force, to sow disorder,

to incite rebellion, to destroy our domestic political stability, and to sabotage our people's socialist construction.

We must maintain vigilance not only toward the enemy from outside of our country but also in the face of propaganda arguments, distortion of the truth, incitement, and intentional sowing of division among factions, within units, between the army and the people, and between army units and local administrations at different levels. Wherever we may be and whatever work we may do, we must always show very clearly the revolutionary soldiers' political abilities and standing. We must be clearheaded in order to distinguish correct from incorrect, right from wrong. We must remain calm in both our words and deeds, and behave in a correct manner in order to prevent the bad people from taking advantage of the prestige of the army and from doing wrong things in the name of the army and against the nature and traditions of the "soldiers of Uncle Ho."

Being members of a combat and working army, as well as the people's children, we must always maintain the blood-and-flesh relationships with the people. Along with the administration and people, we must actively carry out struggle plans in order to maintain political security, order, and safety in the localities where our units are stationed. We must actively participate in resolving difficulties and problems, and through a campaign of persuasion and mediation put an end to conflicts and clashes among the people. We must keep periodic meetings and exchanges of views, hear the people's opinions, sternly criticize ourselves, and actively join with the localities in resolving any problems in a manner that shows both love and reason. We must not let any misunderstanding and minor friction which we are slow in dealing with lead to serious consequences.

In this point in time, the loyalty of each and every soldier to the fatherland is his firmness and steadiness in holding a gun in his forward position and in constantly showing his vigilance and combat readiness so as to defeat any enemy aggressive plot and sabotage trick; to actively contribute to maintaining political security, social order and safety, and discipline; to brilliantly fulfill all assigned tasks; and to strongly defend our territorial integrity, all the achievements of the revolution, the SRV leadership, the renovating task, and our people's socialist construction.

## ECONOMIC

### Trade Association Marks 35th Anniversary

BK0311154390 Hanoi VNA in English  
1448 GMT 3 Nov 90

[Text] Hanoi VNA November 3—The 35th founding anniversary of the Japan-Vietnam Trade Association has been marked in a ceremony held in Tokyo.

Among those present were Nakahara Mitsunoba, management director of the association; Noritake Yasuo, president of the Japan-Vietnam Friendship Association; Senator Sukurauchi Yoshio, president of the Japan-Vietnam Friendship Parliamentary League, speaker of the House of Representatives; and representatives of the foreign ministry, ministry of trade and other institutions.

On the Vietnamese side were Ambassador Vo Van Sung and a delegation of the Vietnam Chamber of Commerce and Industry led by its General Secretary Doan Ngoc Bong.

Speaking at the function, President Nakahara Mitsunoba expressed his pleasure at the results over the past 35 years of the cooperation and trade exchange between the two countries. He said he believed that the friendship and commercial cooperation between Japan and Vietnam would be broadened and developed for the interests and prosperity of the two peoples.

## ECONOMIC

### Japanese Company To Set Up Joint Venture

BK1411073890 Hanoi Domestic Service in Vietnamese  
0500 GMT 9 Nov 90

[Text] Tokyo Menska Kaisha, a leading trading company of Japan, announced on 7 November that it will set up a joint venture in Vietnam in 1992 to produce basic raw materials containing detergent substances.

### Danish Organization Gives Financial Aid to Hospital

BK0311154190 Hanoi VNA in English  
1456 GMT 3 Nov 90

[Text] Hanoi VNA November 3—The Danish International Development Authority (DANIDA) has decided to grant 1,625,000 Danish kroner as aid to Vietnam in 1990, according to an official news source from Copenhagen.

The sum of money will be assigned to the Pediatrics Hospital No. 1 in Ho Chi Minh City.

### Banking Sector Improves Bank Management

BK0511151190 Hanoi Domestic Service in Vietnamese  
2300 GMT 3 Nov 90

[Text] The Hanoi banking sector on 3 November held a conference to review its work during the past 10 months and discuss urgent tasks for the days ahead. Comrade Cao Sy Kiem, governor of the Vietnam State Bank, attended and addressed the conference.

During the past 10 months, various specialized banks—in an attempt to regulate cash circulation in localities—have worked to increase the source of incomes and mobilize saving deposits for urgent expenditures. As a

result, capital for credit operation has increased considerably and saving deposits quickly became the main portion of the banks' circulation money. However, the Hanoi banking sector has experienced some shortcomings in money circulation, credit operation, and banking management. These include poor performance by the state bank in regulating and circulating money and weak management of cash by specialized banks. As a result, overdraft is still prevalent. Moreover, supply of cash to the Treasury Department experienced a shortfall because the budget expenditure was too large.

To fulfill its duties, the Hanoi banking sector must concentrate efforts on various key tasks. It must immediately enhance the efficacy of credit operation, contribute to rearranging production, improve the quality of production and business, exploit all sources of money, promptly regulate money circulation, improve the management of cash, continue to control inflation rate, and stabilize the purchasing power. To satisfactorily fulfill these tasks, the Hanoi banking sector is striving to rearrange its leading and specialized cadres at various banks in order to effectively carry out work in conformity with the new organization and tasks.

#### Official Views Foreign Trade Problems

912E0022 Ho Chi Minh City SAIGON GIAI PHONG  
in Vietnamese 29 Aug 90 p 1

[Article by Hai Nam summarizing an address by Tran Thien Tu, director, Municipal Foreign Trade Service, at the 4th session of the Municipal People's Council: "Foreign Trade—Things To Be Corrected"]

[Text] In accordance with the state's renovation policy, this year the foreign trade activities have switched to business projects from subsidized export and import. We have also opened the doors more widely; as a result, foreign economic units have come to the municipality in greater numbers. There currently exist in the municipality many export-import outlets, with IMEXCO no longer holding any monopoly as before.

In the first six months of this year, our municipality collected an export revenue of 156 million rubles-dollars (31 million rubles and 125 million dollars), which equaled 106 percent of that of the same period last year but only reached 28 percent of the plan for this year (this figure is lower than the statistics, which are 36.2 percent, because they have been obtained where the export-import permits are issued). Among the exported items agricultural products accounted for the largest share (74 million U.S. dollars) and next came marine and sea products (24.5 million U.S. dollars), forest products (12 million), industrial goods (9.5 million), and so on. About imports, in the past six months the municipality imported only 94 million U.S. dollars (equal to 92 percent of the amount in the same period last year), with machine parts and accessories and raw materials accounting for most of that amount (14 million U.S. dollars worth of tools and parts, and 46 million U.S.

dollars worth of raw materials); as to consumer goods, it imported only 20 million U.S. dollars, or 60 percent of the amount in the same period last year, including only 1,000 motorcycles. Its foreign currency-collecting services earned 23.45 million U.S. dollars. The tourist service alone earned 10.5 million U.S. dollars, or 130 percent of the revenue in the same period last year, and greeted 47,000 tourists, 47 percent of the plan for this year. Debts payable in foreign currencies were smaller, but debts becoming due were larger than those in the same period last year.

The trade and contrade taxes collected in the first six months of this year amounted to 177.1 billion dong (151.76 billion and 25.33 billion dong, respectively). These customs taxes are irrational in many aspects, which we have repeatedly reported and analyzed. In the past the rate of exchange used in domestic business accounting was 900 dong to a U.S. dollar and the tax was then five percent, but now we calculate the tax of still five percent by using the rate of exchange of 5,100 dong to a dollar. The state has raised the rate of exchange but has kept the same level of tax; therefore, economic units must now pay excessively high taxes, which become higher still because of the imported goods that have illegally evaded tax. Smuggled foreign goods consequently kill not only domestic goods but also legally imported foreign goods. The goods we import must stay in warehouses where they remain unsalable. Let us mention one irrational happening: To import canned milk one pays five percent tax, but if one imports raw materials for domestic production, one must pay five percent tax for butter and milk powder, 20 percent tax for sugar, then 20 percent for using tin, and finally 10 percent as imposed on state-operated enterprises; along with other expenses, these taxes certainly make the cost of a domestically manufactured can of milk higher than that of an imported one. We have already written an official letter to propose to the Central Committee that this tax policy be revised so as to encourage domestic production of goods to replace imported goods. In addition, the Investment Law grants tax exemption in the first years to the countries that invest capital in ours and gives the capital-investing enterprises the permission to import raw materials and materials without paying taxes. Meanwhile, taxes are imposed on invested domestic capital, and on materials and raw materials imported by domestic enterprises. In addition, in the case of profitable operations, the foreign-invested enterprises pay income tax at the highest rate of 25 percent, but only 10, 15, or 20 percent in some cases, while their domestic counterparts pay income tax at the minimum rate of 30 percent. And so, as far as the national financial policy is concerned, less importance is attached to domestic capital than to foreign capital. We must petition the Central Committee for a revision of such a policy in order to save both domestic production and circulation. We must attach importance to domestic capital, which must be considered a decisive one for development of production.

About investment cooperation, 34 foreign units have so far invested capital, with three of them having invested 100 percent of their capital, 27 being involved in joint enterprises, and four in business cooperation ventures. The total amount of invested capital is more than 230 million U.S. dollars, with our official capital amounting to 94.81 million and with the foreign countries concerned contributing 144.45 million U.S. dollars. According to arguments, if these 34 units were successful in their business ventures, they would create 7,100 jobs and bring about an annual volume of production valued at 110 million U.S. dollars. There currently are 170 offices representing foreign companies in the municipality, but only 74 of them have registered, including 10 foreign exchange companies (all are companies of overseas Vietnamese), 88 export-import companies (in addition to Vietnam's 60 export-import units), and 57 units doing direct export-import business with Vietnam, and excluding 34 investment or joint-business units that also do export-import business. The fact that many cadres having a good knowledge of Vietnam's export-import have been attracted to foreign units because of higher income and have been offering them their profound familiarity with our export-import situation leads to a situation in which Vietnam is under pressure to make unfavorable price decisions, at both the cost and selling price ends. In addition to the 10 foreign exchange companies and 88 export-import companies, there also are in the municipality offices that represent eight tourist companies, eight export-import service companies, 35 joint investment companies, four transportation service companies, and six banks.

Generally speaking, the foreign trade situation in the municipality is encountering many difficulties.

For the time being, there still exists the view to the effect that whoever produces something, he has the right to export it. The fact that to export goods one is required to go through the associations is creating obstacles in the field of export, and this does not include yet the other "gates" one must go through. These are difficulties that we must continue to petition the Central Committee to find appropriate measures to correct in order to promote further development of our export and import.

### **Titanium Ore Found in Coastal Areas**

91P30019A

[Editorial Report] The 19 July issue of the Hanoi weekly newspaper KHOA HOC VA DOI SONG in Vietnamese quoted a study by the State Science and Economic Commission reporting that Vietnam has a reserve of about 13 million tons of titanium ore in 50 locations along the coast from Quang Ninh Province to Thuan Hai Province.

According to the study, 15 enterprises are currently exploiting the ore. Their annual production capacity amounts to about 30,000 tons of ilmenite, 1,300 tons of titanium monoxide, and 10 tons of rutile, most of which

is intended for export. Research on titanium processing and use is being conducted at the National Nuclear Institute, the Institute of Metallurgy, the Hanoi Polytechnic College, and the Institute of Chemical Industry.

### **Aquatic Production Reaches 664,000 Tonnes**

BK1411081490 Hanoi VNA in English 0712 GMT  
14 Nov 90

[Text] Hanoi VNA Nov. 14—In the first ten months of this year, Vietnam netted 664,000 tonnes of aquatic products, representing about 80 percent of the yearly plan and up by 11.5 percent compared with the same period last year.

Also in the said period, the aquatic products service supplied six billion fry and 100 million breeder shrimps to fish and shrimp farms in the country.

According to the Ministry of Aquatic Products, in October, the service earned 178 million dollars through exports, up by 30 percent compared with the same period last year. Besides joint ventures with several foreign countries, the service is implementing foreign-funded projects including a project on hormone production of induced fish breeding funded by the United Nations Development Programme (UNDP) at the cost of 715,740 U.S. dollars.

### **Editorial on Tax Collection Shortfall**

912E0024A Ho Chi Minh City SAIGON GIAI PHONG  
in Vietnamese 17 Sep 90 p 1

[Editorial: "Tax: Failure To Collect and Excessive Collection"]

[Text] In the public opinion once in a while there appear complaints against too heavy taxes. And among the small businesswomen there has been a situation in which some of them had to close their sales counters. Excessive tax collection is real for small business people and is being corrected and adjusted by precincts and districts. But the serious negative aspect that deserves a condemnation by the public opinion is avoiding paying tax by using all sorts of tricks, which leads to a great tax collection shortfall. According to an estimate, which certainly is not accurate, the uncollected industrial and commercial taxes in the municipality in the first months of 1990 amounted to 16.6 billion dong.

Tax is one of the macrocosmic management tools serving to regulate production, to regulate revenue, which is the source of income for the budget, and so on, which any system and any state must use. The difference is each system uses this management tool for different purposes. In our system, which is a system of the people, by the people, and for the people, the tax policy and the use of the collected tax must be aimed at serving the people. This also is the reason why all the people doing productive work and business in all the economic components must fulfill the obligation of paying taxes.

It is not fair when the economic units in the state-operated sector and honest business people totally fulfill their tax obligations, a not so small number of people who are doing good business and getting rich quickly seek every means to avoid paying taxes. In our municipality, 85 percent of our budget comes from the collection of taxes in the state-operated sector and 15 percent from taxes collected in other economic components. And yet these economic components, ever since the 6th Party Congress created favorable conditions for them to flourish, have been operating not so poorly at all, and even more successfully than the state-operated sector. If they do good business, they must pay taxes to the state—that is a moral and just thing to do.

At present, the failure to collect tax mostly takes place in the private business and production sector. Many households have failed to register for production and business, and naturally do not pay taxes, or if they have registered, they would try to hide some of their turnover in order to pay less tax. According to initial investigation data, in our municipality the failure to collect tax takes place among 20,000 large and medium business households. And realities show that evading tax and doing illegal business is one of the reasons behind the division of our society today. Many people have openly admitted that it is now easy to do business and to disregard state laws and also to get rich quickly. We must seek every means to get to know the turnovers of these households so as to collect the right amounts of tax and to collect them fully, and to force them to fulfill all of the obligation toward the state. We also fail to collect tax in the enterprise sector that serves the everyday life and has to do with organs and mass organizations, and among dealers in the form of using skilled labor, which actually means private business people hiding behind the state.

In our tax work today, we have both excessive tax collection and failure to collect tax, but the latter is more serious. We must concentrate efforts upon fighting the failure to collect tax as we have done toward fighting smuggling and corruption. And actually there are the ties that bind smuggling, evading tax, and being corrupt. For it is just natural for smugglers to avoid paying tax, and for tax evaders to seek support among and to collude with the bad elements in the law enforcement force.

The three fights, against smuggling, against corruption, and against the failure to collect tax, must be uniformly and simultaneously carried out.

## SOCIAL

### Efforts Needed To Improve Ethnic Cultural Life

912E0023A Ho Chi Minh City SAIGON GIAI PHONG  
in Vietnamese 30 Aug 90 p 2

[Article by X. Th.: "Ethnic Minorities Are Lacking a Good Cultural Life"]

[Text] The Council of Ministers' Official Document No 72/HDBT, dated 13 March 1990, on the positions and policies for a positive socioeconomic development of the highlands clearly states that "the state will increase expenditures for exploiting the traditional cultural activities of ethnic minorities, restoring and developing professional artistic units, mobile motion picture units, and so on. The highland provinces and districts must organize the collection and publication of ethnic folklores, revolutionary struggle traditions, and so on." Many cultural organs, both central and local, have also issued directives and taken appropriate measures to encourage cultural development among the minority nationalities.

The concern of the party and state about the nationalities' culture has been clearly demonstrated. However, the fact that the implementation of this policy lacked uniformity has brought about very limited results. The state recently decided to finance 100 percent of the expenditures needed for cultural and artistic activities in the highland, border, and island areas, but this decision remains to be carried out because appropriate policy procedures and financial arrangement have not yet been devised. For the time being, very few highland cities and district capitals have the facilities to serve as the new cultural centers of their localities. The value of the cultural projects in all of the 31 northern border districts and cities is even smaller than that of the cultural projects in just Hai Hau District! The cultural establishments in a number of localities are operating very poorly or have declined in their standing. The newly-established Cao Bang Cultural House Center now cannot operate because it no longer is financed by the state. The cultural clusters in Giao San (Lai Chau Province) and Lung Phin (Ha Tuyen Province) are operating with great difficulty and without coordination. The fact that the yearly operating expenses for each library cannot exceed from 500,000 to 800,000 dong makes it just enough to get less than new 1,000 books. The mobile motion picture service network has been reduced and its operations have become poorer. In six northern border provinces alone, 30 units in the districts have been forced to cease their operations because of lack of money. Many districts and even provincial capitals, such as the capitals of Son La and Lai Chau Provinces, do not have a movie house. Quite a few artistic groups had to discard the dance and song numbers that are full of folkloric and ethnic values and to replace them with the "new, exciting" ones. Thanh Hoa Province has disbanded its highland song and dance group. Nghe Tinh Province has to adopt the new songs and plays as its main repertoire. Although Ha Son Binh Province still keeps the Bong Trang Dance Group, the quality of the Muong ethnic and folk dance and songs for which Hoa Binh is well known has greatly declined. The folkloric and ethnic song and dance art as professionally performed in the highland provinces is facing a danger of becoming hybridized or lost so great that this is really an alarming situation. The ethnic Chinese and Khmer cultural zones in Ho Chi Minh City

and the Mekong delta provinces are encountering difficulties mainly due to a lack of money and specialized cadres.

At the conference on the ethnic minorities' cultural and spiritual life recently held in Ho Chi Minh City the Ministry of Culture, Information, and Sports proposed many measures, such as increasing expenditures, training more minority cadres, building cultural highlights, studying the cultural characteristics of different regions, providing the means to raise the overall intellectual standard of minority nationalities, and so on. However, the problem today has to do with the many complicated conditions and difficulties that prevent the implementation of such proposals. For instance, we have not yet positively set the 100 percent of the expenditures to be provided for the cultural and artistic activities in the highlands, border areas, and islands, and even after we have set the amounts of money, we still do not know from what fund we can get the money. The ministry has not yet set a direction for the cultural organs in the highlands to take in order to resolve their economic difficulties.

Our country has many nationalities, with most of the ethnic minorities living in the highlands. To improve the cultural life of the nationalities must be closely linked with the socioeconomic affairs of the highlands and the localities where a lot of ethnic people live.

### **Letter Alleges Complaints Not Fully Resolved**

912E0010A Hanoi QUAN DOI NHAN DAN  
in Vietnamese 16 Aug 90 p 3

[Readers' Letters column by Van An, Ngo Quyen Ward, Haiphong: "It Is Necessary To Pay Attention to the Complaints and Charges in the People's Letters"]

[Text] At present there exists a situation in which the complaints and charges raised by the people and cadres in their letters sent to the responsible organs, sectors, and echelons are not fully studied for any clear-cut solution, in spite of the fact that some of these letter writers even come in person to these organs during the people's reception hours, where they get the simple answer to the effect that such letters are being studied, an investigation is under way, or such letters have been forwarded to this organ or that unit where they would be taken care of. But in the end no organ or unit would ever resolve them. There were cases in which some people waited for years for a solution and finally had to send additional complaints. In one case, the person concerned wrote his eighth letter of complaint. Because of a lack of confidence, many people chose to write to a number of central organs and even to the Council of Ministers, the Council of State, and General Secretary Nguyen Van Linh!

The chairman of the Council of Ministers has issued a directive to order that sectors and echelons be responsible for responding to the cases and incidents involving

their units or sectors which have been made public in the press or over the radio so as to maintain the people's confidence.

But how do we resolve the cases, incidents, and problems which have not yet been mentioned in the press? And what organs are responsible for controlling and supervising the organs which have so far kept a large number of complaints and charges raised by the people and by cadres as well, which have remained too long in their files and drawers? For the time being, quite a few people are still waiting, being excessively anxious, and hoping that the fairness and clearheadedness of the law will prevail!

In order to deal with the unresolved matters to satisfy the people's wishes, in our opinion, the standing committees of the people's councils at all levels, in the capacity of the most powerful organs in the localities, must bear this responsibility and, along with the organs that are in charge of inspection and control in connection with enforcing the law, must systematically coordinate the task of checking with all organs and units to see how many letters containing complaints and charges from the people and cadres that have been resolved, how many cases that remain unresolved, and why they have not yet been resolved. Through this task a system should be set up to require making monthly reports to the standing committees of the people's councils on these letters. In addition, they must propose a principle which requires that all organs and units reply in writing whenever they receive letters from the people. In these replies they must say that such letters will be studied and resolved so as to reassure the people and to make them have real confidence in the renovating efforts of our party and state. Only then will we be able to get rid of the opinion of those people who think that in the common struggle against negative acts there still exists a situation in which coverup, collusion, and bribery render our law ineffective.

## **BIOGRAPHIC**

### **Information on Personalities**

91P30018A

[Editorial Report] The following information on Vietnamese personalities has been extracted from Vietnamese language sources published in Hanoi, unless otherwise indicated. An asterisk indicates that this is the first known press reference to this individual functioning in this capacity.

### **Nguyen Thanh Binh [NGUYEENX THANH BINHF]**

Standing member of the CPV [Communist Party of Vietnam] Secretariat; recently he visited an economic-technical exhibition in Hanoi. (HANOI MOI 12 Sep 90 p 1)

**Dao Duy Chu [DAOF ZUY CHUWX]**

Head of the International Cooperation Department of the Oil and Gas General Department; deputy director of Petro Vietnam; recently he was relieved from the above positions by order of the Ministry of Heavy Industry. (HANOI MOI 13 Jul 90 p 4)

**Le Thanh Cong [LEE THANH COONG]**

Vice minister of culture, information, sports, and tourism; on 2-3 Aug 90 he chaired a conference on radio-television broadcasting. (Ho Chi Minh City SAIGON GIAI PHONG 5 Aug 90 p 1)

**Nguyen Diep [NGUYEENX ZIEEPJ], Maj General**

Commander of the Signal Branch; he wrote an article on his branch in the cited source. (NHAN DAN 6 Sep 90 p 3)

**Nguyen Tan Dung [NGUYEENX TAANS ZUNGX]**

\*Chairman of the People's Committee, Kien Giang Province; recently he accompanied Council of Ministers Chairman Do Muoi on his visit to Phu Quoc District. (HANOI MOI 9 Aug 90 p 1)

**Bach Hung Dao [BACHJ HUWNG DAOF]**

Deputy secretary of the CPV Committee, Nghe Tinh Province; on 9 Sep 90 he attended a ceremony in Hanoi to commemorate the 60th anniversary of the Nghe Tinh uprising. (NHAN DAN 10 Sep 90 p 1)

**To Buu Giam [TOO BUWUR GIAMS]**

\*Deputy secretary of the CPV Committee, Hau Giang Province; he was mentioned in an article on his province. (NHAN DAN 29 Aug 90 p 3)

**To Hoai [TOO HOAIF]**

Vice chairman of the Vietnam—India Friendship Association; on 14 Aug 90 he attended a ceremony to commemorate the 45th anniversary of India's independence. (NHAN DAN 15 Aug 90 p 4)

**Pham Van Hung [PHAM VAWN HUNGF]**

\*Head of the Organization Department of the CPV Committee, Ho Chi Minh City; he was mentioned in an article on party purification in Ho Chi Minh City. (NHAN DAN 7 Sep 90 p 3)

**Dang Huu [DAWNGJ HUWUX]**

Head of the State Science Commission; his article on strengthening and renovating Party leadership in science and industry was published in the cited source. (TAP CHI CONG SAN Aug 90 p 18)

**Ngo Xuan Loc [NGOO XUAAN LOOCJ]**

\*Minister of construction; chairman of the Vietnam sub-committee of the Vietnam-Libya Scientific-Economic Cooperation Committee; on 29 Aug 90 he

spoke at a ceremony held in Hanoi to commemorate Libya's 21st national day. (NHAN DAN 30 Aug 90 p 4)

**Bui Thien Ngo [BUIF THIEENJ NGOOJ]**

\*Vice minister of the interior; on 19 Aug 90 he attended a meeting held by the Ministry of Interior in Hanoi to commemorate the 45th founding anniversary of the People's Security Forces. (HANOI MOI 20 Aug 90 p 1)

**Bong Sy Nguyen [DOONF SIX NGUYEEN]**

Member of the CPV Politburo; vice chairman of the Council of Ministers; on 14 Aug 90 he attended a ceremony commemorating the 45th founding anniversary of the post and telegraph sector. (HANOI MOI 15 Aug 90 p 1)

**Pham Quang Nhuong [PHAMJ QUANG NHUWOWNGJ]**

\*Secretary of the CPV Committee, Nam Dinh Municipality; his article on Nam Dinh appeared in the cited source. (TAP CHI CONG SAN Aug 90 p 66)

**Vu Oanh [VUX OANH]**

Secretary of the CPV Central Committee; his article on renovating mass motivation work was published in the cited source. (TAP CHI CONG SAN Aug 90 p 7)

**Hoang Qui [HOANGF QUI]**

Minister of finance; on 14 Aug 90 he spoke at a press conference on the new SRV commercial laws. (HANOI MOI 15 Aug 90 p 1)

**Le Dinh Quy [LEE DINHF QUI]**

\*Vice minister of heavy industry; on 8 Aug 90 he was present at a ceremony in Hanoi where a contract on seismic explorations at Vietnam's southern continental shelf was signed between Belgium and the SRV. (Ho Chi Minh City SAIGON GIAI PHONG 13 Aug 90 p 1)

**Trang Van Quy [TRANG VAWN QUIS]**

\*Vice chairman of the People's Committee, Ho Chi Minh City on 1 Sep 90 he welcomed a Japanese delegation visiting the municipality. (Ho Chi Minh City SAIGON GIAI PHONG 2 Sep 90 p 1)

**Nguyen Quyet [NGUYEENX QUYET]**

Secretary of the CPV Central Committee; head of the Political General Department; on 8 Sep 90 he attended a reception held by the DPRK ambassador in Hanoi to commemorate the 42d anniversary of the DPRK. (NHAN DAN 10 Sep 90 p 4)

**Le Sinh Tang [LEE SINH TAWNGJ]**

Vice chairman of the People's Committee, Hanoi Municipality; \*vice chairman of the Vietnam-Indonesia Friendship Association; on 16 Aug 90 he attended a

ceremony to commemorate the 45th anniversary of the Republic of Indonesia. (HANOI MOI 17 Aug 90 p 1)

**Tran Quoc Thai [TRAANF QUOOCS THAIJ]**

Deputy secretary of the CPV Committee, Nghe Tinh Province; \*chairman of the People's Council, Nghe Tinh Province; on 9 Sep 90 he attended a ceremony in Hanoi to commemorate the 60th anniversary of the Nghe Tinh uprising. (NHAN DAN 10 Sep 90 p 1)

**Trinh Ngoc Thai [TRINHJ NGOCJ THAIS]**

Deputy head of the Foreign Relations Department of the CPV Central Committee; on 8 Sep 90 he attended a reception held by the DPRK ambassador in Hanoi to commemorate the 42d anniversary of the DPRK (Democratic People's Republic of Korea). (NHAN DAN 10 Sep 90 p 4)

**Phan Thuy Thanh [PHAN THUYS THANH]**

\*Deputy head of the Press and Information Department, Ministry of Foreign Affairs; on 16 Aug 90 she held a press conference in Hanoi. (NHAN DAN 17 Aug 90 p 4)

**Vu Thang [VUX THAWNGS]**

\*Secretary of the CPV Committee, Thua Thien-Hue Province; recently he exchanged opinions with a NHAN DAN editor on strengthening the Party. (NHAN DAN 22 Aug 90 p 1)

**Dang Van Than [DAWNGJ VAWN THAAN]**

Alternate member of the CPV Central Committee; director general of the Vietnam Post and Telecommunications Corporation (Cong Ty Bưu Chính—Viễn Thông Việt Nam). On 14 Aug 90 he made a speech at a ceremony to commemorate the 45th anniversary of the post and telecommunications branch. (NHAN DAN 15 Aug 90 p 1)

**Phan Thu [PHAN THU], Lieutenant General, professor**

\*Head of the General Department of National Defense and Economic Industries (Tong Cục Công Nghiệp Quốc Phòng và Kinh Tế). His article "The National Defense Industry in the Work of Constructing and Protecting the Fatherland" was published in the cited source. (NHAN DAN 12 Sep 90 p 3)

**Truong Tung [TRUWOWNG TUNGF]**

Vice chairman of the People's Committee, Hanoi Municipality; vice chairman of the Vietnam Committee of Solidarity and Friendship with Libyan people; on 29 Aug 90 he spoke at a meeting held in Hanoi to commemorate Libya's 21st National Day. (NHAN DAN 30 Aug 90 p 4)

**Dinh Van Tuy [DINH VAWN TUY], Lieutenant General, deceased**

Commander of the Border Defense troops, (Bô Đội Biên Phòng); member of the CPV; member of the 6th National Assembly; he was appointed commander and CPV secretary of the Border Defense troops in 1981; he died on 17 Aug 90 at the 108th Military Hospital after a serious illness. (NHAN DAN 20 Aug 90 pp 1, 4)

**Tran Huu Vinh [TRAANF HUWUX VINH]**

\*Deputy secretary of the CPV Committee, Minh Hai Province; on 20 Aug 90 he attended a symposium in Can Tho City on "Cuu Long Delta Peasants and the August Revolution." (NHAN DAN 28 Aug 90 p 1)

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**DATE FILMED**

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